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THE
ASIATIC SOCIETY OF BOMBAY
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REPORT

OF THE

BOMBAY CHAMBER OF COMMERCE

FOR THE

Year 1865-66.

PRESENTED TO THE ANNUAL GENERAL MEETING,
HELD ON THE 26TH SEPTEMBER 1866.

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ESTABLISHED 22ND SEPTEMBER 1836.

List of Members.

Messrs. BATES (E.) & Co.
" BELL (R.), MILLER, & Co.
" BELL, VENTZ, & LUCIUS.
" BRICE (A. C.) & Co.
" BURSTALL, RUSSELL, & Co.
" CAMPBELL, MITCHELL, & Co.
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" FINLAY, SCOTT, & Co.
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" KING (G. S.) & Co.
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" MACDONALD, TWEEDIE, & Co.
" MACNEE, THOMPSON, & Co.
" NICOL (W.) & Co.
" PEEL, CASSELS, & Co.
" RALLI BROTHERS.
Messrs. RENNIE, SCOVELL, & Co.
" RITCHIE, STEUART, & Co.
" ROBINSON & Co.
" SASSOON (D.) & Co.
" SIEGFRIED & Co.
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" STOEHR, PRIEGER, & Co.
" VOLKART BROTHERS.
" WADIA (J. N.), SONS, & Co.
" WALLACE & Co.
" WATSON, BOGLE, & Co.
P. & O. S. N. COMPANY.
THE CHARTERED BANK OF INDIA, AUSTRALIA, AND CHINA.
THE CHARTERED MERCANTILE BANK OF INDIA, LONDON, AND CHINA.
THE COMPTOIR D' ESCOMPTE DE PARIS.
THE FINANCIAL ASSOCIATION OF INDIA AND CHINA, LIMITED.
THE LONDON, ASIATIC, AND AMERICAN COMPANY, LIMITED.
THE NATIONAL BANK OF INDIA.
THE PRESIDENCY BANK, BOMBAY, LIMITED.
ROYAL BANK OF INDIA.

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R. L. TRACEY, Esq., *Deputy Chairman.*
H. SOMERVILLE, Esq. .....
J. E. GRIMM, Esq. .....
R. CAMPBELL, Esq. ..... } *Members.*
H. E. ASTLEY, Esq. .....
W. CHRISTIAN, Esq. .....

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H. E. ASTLEY, Esq., *Deputy Chairman.*
H. SOMERVILLE, Esq. .....
J. E. GRIMM, Esq. .....
C. GADDUM, Esq. ..... } *Members.*
A. D. GRANT, Esq. .....
J. A. ANDERSON, Esq. .....

Messrs. WILLIAM NICOL & Co., *Treasurers.*
JAMES TAYLOR, Esq., *Secretary.*
MUCKOONDROW BHAWOO, *Head Clerk.*

RULES AND REGULATIONS

OF THE

BOMBAY CHAMBER OF COMMERCE.

REVISED AND ADOPTED AT A GENERAL MEETING HELD ON THE 1ST OF DECEMBER 1864.

I. That the object and duties of the Chamber shall be to encourage a friendly feeling and unanimity among commercial men on all subjects involving their common good; to promote and protect the general mercantile interests of this Presidency; to collect and classify information on all matters of general commercial interest; to obtain the removal, as far as such a society can, of all acknowledged grievances affecting merchants as a body, or mercantile interests in general; to receive and decide references on matters of usage and custom in dispute, recording such decisions for future guidance, and by this and other means assisting to form a code of practice for simplifying and facilitating business; to communicate with the public authorities, with similar associations in other places, and with individuals on all subjects of general mercantile interest; and to arbitrate between parties willing to refer to and abide by the judgment of the Chamber.

II. That all persons engaged or interested in mercantile pursuits desirous of joining the Chamber, and disposed to aid in carrying into effect the objects of the same, shall be admitted Members by the vote of a majority of not less than two-thirds of those voting at a General Meeting, as provided for in Rule III.

III. That one-fourth of the firms constituting the Chamber shall be held sufficient to form any General Meeting

when the same has been regularly called together,—one partner representing a firm; but two or more partners of one firm, being present, only to count as one Member of the Chamber. That seven clear days' notice shall be given before any resolution proposing changes in the Rules of the Chamber be brought forward, and that such notice be given in writing to the Secretary, who shall circulate it for the information of the Members of the Chamber.

IV. That the Chamber reserves to itself the right of expulsion in case of need, to be decided at a General Meeting by a majority of three-fourths of the Members present at such General Meeting, duly convened.

V. The subscription of each firm or Member of the Chamber shall be Rupees 25 per month.

VI. That the affairs and funds of the Association be managed by a Committee of seven Members, consisting of the Chairman and Deputy Chairman of the Chamber and five Members, who shall be elected annually at a General Meeting of the Chamber in the month of September, and shall remain in office for one year, but be re-eligible on expiration of office. The Chairman and Deputy Chairman, as the case may be, to be *ex-officio* Chairman of the Committee, and in their absence the Committee to elect their own Chairman. Three to be a quorum. In the event of any Member of the Committee resigning or declining to serve, the remaining Members of the Committee shall fill up the vacancy.

VII. The Chairman, Deputy Chairman, and Members of Committee for election must be proposed at least seven days before the General Meeting to be convened for the purpose of elections, and their names be published in the rooms of the Chamber for that period, and by circular. No two Members of one firm shall be on the Committee at the same time.

VIII. That all questions before the Committee shall be decided by a majority, the Chairman having a second or casting vote in case of an equality of votes.

IX. That the Committee shall meet on Friday, or on such other day as may be found by them most convenient, of every week, to receive and dispose of all communications and

references, and to take under their consideration, generally all matters embraced in the objects of the Chamber; and that their proceedings be laid on the table for the inspection of all Members, subject to such regulations as they may make.

X. That General Meetings of the Chamber be held quarterly for the purpose of discussing any measures of public interest which may arise, and that in the interval between the Meetings the Committee of the Chamber be intrusted with the selection of subjects for discussion at those meetings, and give notice of the same to the Members beforehand. That a special General Meeting shall be called by the Chairman, or by his order, seven days after the receipt of a requisition from any three firms Members of the Chamber; but that a majority of firms, represented by one or more Members from each firm, being Members of the Chamber, be required to constitute such General Meeting, and that the Annual General Meeting shall be held in the month of September, on such day as the Committee for the time being shall direct, such Meeting to be convened on a seven days' notice. That all General Meetings of the Chamber shall be advertised in the newspapers.

XI. That the Committee be authorised to provide suitable accommodation for the meeting of the Chamber, to pay all expenses of the establishment, and to control generally the management of the affairs of the Chamber.

XII. That all moneys or funds of the Chamber, as received, be paid into the hands of the Treasurer or Treasurers for the time being, and that the same be available by cheques signed by the Chairman, or in his absence by the Acting Chairman, for the time being, and by one other Member of the Committee.

XIII. That a Secretary be appointed by a majority of Members, in such way as the Committee for the time being may point out; that it shall be the duty of such Secretary to keep the records and accounts of the Chamber, to collect subscriptions, handing the same over to the Treasurer, to conduct correspondence, and to act generally under the directions of the Committee.

XIV. That all the proceedings of the Committee be subject to approval or otherwise of General Meetings duly convened.

XV. That any stranger engaged or interested in mercantile pursuits, visiting the Presidency, may be introduced as a visitor by any Member of the Chamber inserting his name in a book to be kept for that purpose, but that a residence of two months shall subject him to the rule for the admission of Members.

XVI. *Honorary Members.*—Gentlemen distinguished for public services, or eminent in commerce and manufactures, may be elected Honorary Members of the Chamber, and as such shall be exempted from paying subscriptions.

XVII. That an Annual Report of the proceedings be made, and copies sent to the similar associations in India, China, and elsewhere.

XVIII. That the foregoing Rules be added to or altered only by a majority of Members of the Chamber.

XIX. That the firms whose signatures are attached be considered as acknowledging the "Bombay Chamber of Commerce," as now constituted, to represent their public and united interests.

XX. That the foregoing Rules be copied into a book, to be kept with the records of the Chamber, and be signed by all the Members, and that copies be printed and delivered to each firm.

TONNAGE SCALE AT BOMBAY.

At a General Meeting of Merchants held in the Offices of the Chamber of Commerce, Bombay, on the 6th of June 1856, convened by circular under the direction of the Committee of the Chamber, William Forsyth Hunter, Esq., Chairman of the Chamber, in the Chair—It was proposed by Henry Scott, Esq., of Messrs. Finlay, Scott, and Co., seconded by John Campbell, Esq., of Messrs. Campbell, Mitchell, and Co., and unanimously carried,—"That from and after the 1st of January 1857 the following amended Scale be taken to regulate the Trade from Bombay and the Malabar Coast to the United Kingdom, in the absence of Special Agreement to the contrary :—

Articles.	To the Ton.
Aloes, in kegs	16 cwt.
Alum, in bags	20 „
Annato, in cases	50 feet.
Apparel	50 „
Arrowroot, in cases	50 „
Asafœtida, in cases	50 „
Barilla	20 cwt.
Bees' Wax, in cases	50 feet.
Betelnut, in bags	16 cwt.
Blackwood, in straight square logs	50 feet.
Do. otherwise	20 cwt.
Books	50 feet.
Borax, in cases	50 „
Do. in bags	20 cwt.
Bullion	per cent.
Camphor, in cases	50 feet.
Canes, Rattans, in bundles	16 cwt.
Cardamoms, in bundles	50 feet.
Cassia Lignea, Fistula, and Buds	50 „
Chassum	10 cwt.
China Root, in cases	50 feet.
Cigars	50 „
Cinnamon, in bales	6 cwt.

Articles (*continued*).	To the Ton.
Cinnamon, in cases	50 feet.
Cloves, in cases	50 ,,
Do. in bags or frazils	10 cwt.
Coals	20 ,,
Cocoa, in bags	12 ,,
Coculus Indicus, in bags	16 ,,
Coffee, in cases	50 feet.
Do. in bags or frazils	16 cwt.
Coir, in bales	50 feet.
Do. in bundles or loose	6 cwt.
Do. Rope, in coils	8 ,,
Colocynth, in cases	50 feet.
Colombo Root, in bags	14 cwt.
Copra, in robins	12 ,,
Coral, Rough (not Specimen), in bags	20 ,,
Cotton, in bales	50 feet.
Cowries, in cases	50 ,,
Do. in bags	20 cwt.
Cubebs	12 ,,
Cummin Seed, in cases	50 feet.
Cutch or Terra Japonica, in bags or baskets, unscrewed	16 cwt.
Dates, wet	20 ,,
Do dry	16 ,,
Dragon's Blood, in cases	50 feet.
Ebony, square and straight	50 ,,
Do. otherwise	20 cwt.
Elephants' Teeth, in cases	50 feet.
Do. in bundles	18 cwt.
Do. loose	20 ,,
Furniture	50 feet.
Galingals	12 cwt.
Galls, in bags	16 ,,
Do. in cases	50 feet.
Ginger, dry, in cases	50 ,,
Do. in bags	12 cwt.
Gram	20 ,,
Ground Nuts, shelled	16 ,,
Gums of all kinds, in cases	50 feet.
Gum Olibanum, in bags	16 cwt.
Hurtall, in cases	50 feet.
Hemp, in screwed bales	50 ,,
Do. loose or in bundles	7 cwt.
Hides and Skins in screwed bales	50 feet.
Do. loose and in small bundles	12 cwt.
Horns, Buffalo and Cow, loose	16 ,,
Horns, Deer, loose	8 cwt.

ARTICLES (*continued*).	To the Ton.
Horn Tips, of any kind	16 cwt.
Indigo, in cases	50 feet.
Jackwood	50 „
Lac Dye, in shells or cases	50 „
Linseed, in bags	18 cwt.
Mace, in cases	50 feet.
Mother-o'-Pearl, in cases	50 „
Do. in bags	20 cwt.
Munjeet or Madder Root, in cases or bales	50 feet.
Do. in bundles or bags	12 cwt.
Musk, in cases	50 feet.
Myrabolams, in bags	16 cwt.
Nutmegs, in cases	50 feet.
Nux Vomica, in cases	50 „
Do. in bags	16 cwt.
Oil of any kind, in casks	210 im. gals.
Oil Seeds, Teel, Rape, Mustard, Khorassan, and Castor	17 cwt.
Opium	per chest.
Paddy, in bags	16 cwt.
Pepper, in bags	16 „
Pimento	14 „
Plumbago, in bags	20 „
Rattans, in bundles	16 „
Do. Ground	16 „
Red Wood	16 „
Rhubarb, in cases	50 feet.
Rice, in bags	20 cwt.
Safflower, in cases	50 feet.
Do. in screwed bales	50 „
Do. in bags	10 cwt.
Sago, in cases	50 feet.
Sal Ammoniac, in cases	50 „
Do. in bags	18 cwt.
Saltpetre	20 „
Sandal and Sapan Wood	16 „
Sealing-Wax, in cases	50 feet.
Senna, in bags	6 cwt.
Do. in bales	50 feet.
Shells, Rough, in bags	20 cwt.
Silk, in bales	10 „
Do. in cases	50 feet.
Soap, in cases	50 „
Sugar, in bags	20 cwt.
Talc	20 „
Tallow	50 feet.
Tamarinds	18 cwt.

ARTICLES (*continued*).	To the Ton.
Tea, in chests	50 feet.
Timber, Teak, Square Planks and Poon	50 „
Do. Round, one-fifth off.	
Tobacco, in bales	50 feet.
Tortoise Shells, in chests	50 „
Turmeric, in bags	13 cwt.
Tutenague	20 „
Unrated Wood	14 „
Whangees (*vide* Canes)	16 „
Wheat	20 „
Wines and Spirits, in casks	50 feet.
Do. in cases	50 „
Wool, in screwed bales	50 „
Zedoary	20 cwt.

*** The Standard Ton at Bombay for Measurement Goods shall be taken at 50 cubic feet.

Proposed by James Fleming, Esq., of Messrs. W. Nicol and Co., and seconded by William Trevor Roper, Esq., of Messrs. Lawrence and Co., and carried unanimously,—"That the Freight on Oil be paid on the full gauge of the Cask, ascertained at the port of discharge."

Proposed by Thomas Stock Cowie, Esq., of Messrs. Remington and Co., and seconded by John Parsons, Esq., of Messrs. Cardwell, Parsons, and Co., and carried unanimously —"That when Freight is payable on weight the same is to be on the Nett Weight delivered."

(Signed) W. F. HUNTER,

Chairman.

RULES AND REGULATIONS

FOR THE MEASUREMENT BY CALLIPERS, UPON SHIPMENTS TO GREAT BRITAIN, OF COTTON, WOOL, HEMP, AND OTHER SCREWED AND PRESSED BALES AT THIS PORT.

I. That Callipers shall from time to time be submitted to the Secretary of the Chamber of Commerce, and if found correct shall be branded with a Stamp bearing the name of the Chamber, to indicate the same.

II. That if, from use or otherwise, any Callipers should get out of order and be objected to, the party objecting shall send the Callipers to the Chamber for examination, and should the objection be valid, the Chamber Stamp shall be defaced by the Secretary; if, however, the objection is found to be groundless, the Secretary shall give a note to that effect, and the party objecting shall be bound by his decision.

III. That any Callipers found incorrect, and on which the Stamp has been defaced, may be re-stamped after adjustment.

IV. That no measurements shall be held good except such as are taken by Callipers bearing the Chamber's Stamp.

V. That Cotton, Hemp, Wool, and other screwed bales shall be measured as follows: namely, the greatest length to be first ascertained, and then the Bale to be set on either end, as the Shipmaster may wish, and cross measurements to be taken at top over the lashings, excepting the knots, and as near the centre of the bale as possible. That an average of 100 bales be struck by ascertaining the actual measurement of any 10 bales, and proportionately, the Shipper selecting and measuring one-half, and the Shipmaster the other half; should, however, any dispute or difficulty arise in the selection of bales, either party to have the option of measuring the whole quantity.

VI. That all produce subject to measurement be measured within the day on which it has been ordered to be screwed, provided the order has been given by the Shipmaster or Agents of the Vessel; and that from 1st June to 15th October the same be measured at the Screws; during the remainder of the year, if required, on the Bunder, weather permitting. No Cotton, Wool, or other goods to be measured until a Custom House Pass has been obtained for the same.

VII. That in the event of the Shipmaster not attending to measure at such hour as may have been appointed by him, the Agent or Agents of the Ship do empower a person to attend on his behalf, whose sanction to the measurement shall be binding upon the Shipmaster.

GENERAL RATES OF COMMISSION.

Table of General Rates of Commission chargeable in Bombay, as revised by the Chamber of Commerce, and confirmed at a General Meeting held on the 11th of February 1843.

		Per cent.
1.	On procuring freight	5
	Brokerage, when actually incurred, shall be considered a legitimate charge in ship's accounts.	
2.	On collecting freight	2½
3.	On tendering a vessel (if accepted) for the conveyance of troops; on the amount of the charterparty.	5
4.	On shipping goods of every description on which no commission for the purchase has been charged	2½
5.	On shipping treasure, bullion, and jewellery ...	1
6.	On ship's disbursements when in funds ...	1
7.	On ship's disbursements when not in funds ...	2½
8.	On account of passage money, whether the same passes through the Agent's hands or not	2½
9.	On effecting insurance	½
10.	On settling insurance losses, whether partial or total, also on procuring return of premium, exclusive of commission on receipt of cash ...	2½
11.	On the sale or purchase of goods of all denominations (except as under)	5
12.	On purchases of all kinds with the proceeds of goods sold, and on which a commission of 5 per cent. has been previously charged ...	2½
13	On the sale or purchase of ships, houses, and lands, of opium, and of diamonds, pearls, and jewellery of all descriptions	2½

		Per cent.
14.	On the sale or purchase of treasure or bullion...	1
15.	On the sale or purchase of cattle	5½
16.	On goods consigned which are disposed of by outcry or sent to a shop, on net proceeds ...	5
17.	On goods consigned and afterwards withdrawn, invoice cost	2½
18.	On guaranteeing the responsibility of person to whom goods are sold, on the amount of sale	2½
19.	On attending the delivery of contract goods to the company or individuals	2½
20.	On collecting house-rent	2½
21.	On sale or purchase of private bills of exchange	1
22.	On effecting remittances by bills of exchange...	1
23.	On taking up at interest bills from the Company, exclusive of one per cent. on remitting	1
24.	On exchanging Company's securities of all descriptions, or investing money therein, and on transferring Government paper from one constituent to another...	½
25.	On surrendering or depositing in the Treasury Company's security of all descriptions ...	½
26.	On procuring money on respondentia or on loan	2
27.	On recovering of bonds, or of bills for absentees overdue at the time of their being placed in the possession of the Agent	2
28.	On debts when a process at law by arbitration is necessary	2½
29.	On debts when recovered by such means ...	5
30.	On managing the affairs of the estate for an executor or administrator	5
31.	On recovering funds from a bankrupt estate ...	2½
32.	On guaranteeing bills, bonds, or debts in general, by endorsement or otherwise	2½
33.	On bills of exchange returned noted or protested	1

		Per cent.
34.	On granting and cashing letters of credit ...	2½
35.	On becoming security to Government or public bodies in any case	2½
36.	On depositing Government paper as security for constituents	1
37.	On receipt or payment, at the option of the Agent, of all moneys not arising from proceeds of goods on which commission has been previously charged	1
38.	In all cases where the debtor side of the account exceeds the creditor side, including the balance of interest, commission to be charged at the rate of	1

NATIVE CONSIGNMENTS.—By a Resolution of the Chamber, passed unanimously on the 29th of March 1866, it was ruled "that the recognised rate of Commission in England on the sale of Consignments from Bombay taken after this date be 3½ per cent., exclusive of brokerage and guarantee, and that the same be added to the Scale of Commissions sanctioned by the Chamber."

SHIP FREIGHT INWARDS.

WITH reference to the payment of Inward Freight at Bombay when stated in Sterling, we the undersigned Merchants do hereby agree that for the future all such Freight falling due under Bills of Lading dated on or after the 1st of November next shall (in the absence of Special Agreement, *or when stated to be payable at the current rate of exchange*) be paid and received by us at the rate of Two Shillings per Rupee.

It is understood that the Agreement dated February 1849 shall continue to regulate the payment of all the Freights falling due under Bills of Lading dated previous to 31st of October next.

(Signed) FORBES & Co.
„ REMINGTON & Co.
„ LECKIE & Co.
„ LEGGATT, MCKENZIE, & Co.
„ PEEL, CASSELS, & Co.
„ FINLAY, SCOTT, & Co.
„ LAWRENCE & Co.
„ A. H. HUSCHKE & Co.
„ DIROM, HUNTER, & Co.
„ STEVENS BROTHERS.
„ G. PERRY & Co.
„ J. P. LANGLOIS, A. LE ROY, & Co.
„ ROBERT STRONG & Co.
„ EDWARD BATES & Co.
„ GREY & Co.
„ VINAY, FILS, & Co.
„ HEYCOCK & Co.
„ WILLIAM MCHAFFIE & Co.
„ HASTINGS HICKS, SIM, & Co.

(Signed) VOLKART BROTHERS.
„ RENNIE, SCOVELL, & Co.
„ LYON, BROTHERS, & Co.
„ WM. NICOL & Co.
„ MARTIN, YOUNG, & Co.
„ RITCHIE, STEUART, & Co.
„ MACINDOE, ROGERS, & Co.
„ CARDWELL, PARSONS, & Co.
„ W. & A. GRAHAM & Co.
„ ROBERT FRITH & Co.
„ WALLACE & Co.
„ MCCULLOCH & Co.
„ EWART, LATHAM, & Co.
„ CAMPBELL, MITCHELL, & Co.
„ W. C. SILLAR & Co.
„ KILLICK, NIXON, & Co.
„ GEORGE POLLEXFEN & Co.
„ T. R. RICHMOND.

Bombay, August 1858.

GENERAL MEETINGS IN 1865-66.

A SPECIAL GENERAL MEETING of the Chamber of Commerce was held on Tuesday the 17th of October 1865, at 3 P. M., for the purpose of considering the question which had lately arisen in England as to the rights of Exchange Banks in reference to document bills.

Present:

A. J. HUNTER, Esq., Chairman, in the Chair.

James Bogie, Esq.
John Sands, Esq.
L. Mavrocordato, Esq.
P. Adams, Esq.
Andrew Grant, Esq.
H. Brooke, Esq.
C. E. Benn, Esq.
F. L. Buckle, Esq.
R. A. Ashley, Esq.
Alex. Stewart, Esq.
H. Somerville, Esq.
Alex. Brown, Esq.
W. F. Stearns, Esq.
N. M. Wadia, Esq.
J. K. Bythell, Esq.
Robert Campbell, Esq.
A. Lawson, Esq.

The circular convening the Meeting having been read—

The Chairman then called the attention of the Members to the Letters of Hypothecation in use by the various Banks in Bombay, and after an expression of opinion on the subject by various members—

It was proposed by the Honourable Mr. A. J. Hunter, Chairman, seconded by Mr. Andrew Grant—

"That in the opinion of the Chamber the course adopted by the Asiatic Banking Corporation and the Central Bank of Western India, in refusing to receive payment of bills from any of the parties to the same, and to deliver up shipping documents hypothecated to these banks as collateral security therefor, is contrary to mercantile usage, tends to obstruct business, and interferes with mercantile confidence. That the Chamber leaves the Committee to take whatever steps they may consider necessary for the protection of its members and the public."

There being no other business before the Meeting, it was then dissolved, after a vote of thanks to the Chairman.

A SPECIAL GENERAL MEETING of the Chamber of Commerce was held on Friday the 9th of February 1866, at 3 P.M., to consider the following subjects, on which the opinion of the Chamber had been asked by Government, viz :—

1. The Indian Companies Bill.
2. The Partnership Law Amendment Bill.
3. A Gold Currency for India.

Present :

The Honourable A. J. HUNTER, Chairman, in the Chair.

H. MAXWELL, Esq., Deputy Chairman.

A. D. Grant, Esq.
C. E. Benn, Esq.
Robert Ryrie, Esq.
H. E. Astley, Esq.
Alex. Stewart, Esq.
J. Sands, Esq.
C. Gaddum, Esq.
A. Ashley, Esq.
R. W. Barker, Esq.
E. Pennell, Esq.
N. S. Symons, Esq.
H. Somerville, Esq.
T. H. Moore, Esq.
J. Tweedie, Esq.
W. Joynson, Esq.
— Bazley, Esq.
W. Christian, Esq.
J. G. Smith, Esq.
L. H. Boult, Esq.
W. F. Stearns, Esq.
James Bogie, Esq.
D. Watson, Esq.
Robert Campbell, Esq.
H. Müller, Esq.
W. E. Crum, Esq.
D. Graham, Esq.

James Taylor, Secretary.

The circular convening the Meeting, and the minutes of the last General Meeting having been read by the Secretary—

The following firms were proposed and admitted Members, after a ballot :—

1. Messrs. T. W. Taylor and Co.; proposed by Mr. John Sands, seconded by the Chairman.
2. Messrs. Burstall, Russell, and Co.; proposed by Mr. Robert Ryrie, seconded by Mr. Alex. Stewart.
3. Messrs. Hutchinson, Dods, & Co.; proposed by Mr. Alex. Stewart, seconded by the Chairman.
4. The Asiatic Banking Corporation; proposed by the Chairman, seconded by Mr. H. Maxwell, Deputy Chairman.
5. The National Bank of India; proposed by Mr. R. Campbell, seconded by the Chairman.

The Chairman said that before entering on the consideration of the subjects in reference to which the Meeting had been called, he thought it well to state that, in addition to the Bills mentioned in the advertisement, the Chamber's opinion was asked by Government on the one now before the Council of India, to provide summary procedure on Bills of Exchange. The members were aware that the defect in the existing law, which the Bill was intended to remedy, was brought under the notice of the Chamber previous to the introduction of the Bill by Mr. Maine, and that it had been decided that they should prepare a petition, to be laid before the Council of India, praying for a change in the law. As the Committee were already in possession of the views of the Chamber on the subject, they did not consider it necessary to ask for any further expression of opinion; and the Secretary would then read for the information of the Members the letter which had been addressed to Government in reply to that asking the Chamber's opinion of the Bill.

The Secretary having read the communication which had been forwarded to Government—

It was proposed by Mr. Alex. Stewart, seconded by Mr. E. Pennell, and carried unanimously—

"That the proceedings of the Committee of the Chamber in reference to the Bill now before the Indian Council, to provide summary procedure on Bills of Exchange, be approved."

The Chairman next introduced the subject of the proposed Indian Companies Bill, and, after explaining its provisions, proposed the following resolution, which was seconded by Mr. H. Maxwell, Deputy Chairman, and carried unanimously:—

"That the Chamber record its approval of the 'Indian Companies Act, 1866,' now before the Council of India, on the grounds that, by adopting the provisions of the English statute, and thus assimilating the laws of India to those of England, it promotes the interests of commerce; that the changes proposed by the Act are in themselves judicious; and, further, that by comprising within one Act a complete code for the formation, regulation, and winding up of companies of every description, the laws are simplified, and rendered easily available for the information of the public.

"Resolved, further, that the Committee be requested to send a copy of this resolution to the Government of India, through the local Government."

The Chairman said the next subject to be considered was the "Indian Partnership Amendment Bill."

After a full discussion of the question, the following resolution was submitted by the Chairman, and seconded by Mr. Archibald Grant:—

"That the Chamber approve of the general character of the Indian Partnership Amendment Bill, but recommend the introduction of a clause to prevent a commanditarian lender from withdrawing his money to the disadvantage of other creditors."

To this resolution the following amendment was moved by Mr. W. Christian, and seconded by Mr. W. Joynson:—

"That the Members be requested to give their individual opinions in writing on the subject at present before the Meeting; such minutes to be sent in on or before the 20th instant."

On being put to the Meeting, the amendment was carried by a majority of nine votes to eight.

The Chairman then introduced the question of a Gold Currency for India, when, after a discussion, it was unanimously resolved that the Committee of the Chamber be requested to intimate to Government the Chamber's approval of the appointment of a Commission to consider the question of the introduction of a Gold Currency, without making any specific suggestions till the results of the deliberations of the Commission should become known.

There being no other business before the Meeting, it was adjourned, after a vote of thanks to the Chairman.

A SPECIAL GENERAL MEETING of the Chamber of Commerce was held on Thursday the 29th of March 1866 at 4 P. M.

Present :

The Honourable A. J. HUNTER, Chairman, in the Chair.

H. MAXWELL, Esq., Deputy Chairman.

S. Burstall, Esq.	C. Russell, Esq.
A. Grant, Esq.	R. L. Tracey, Esq.
R. Ryrie, Esq.	J. Beaufort, Esq,
H. E. Astley, Esq.	J. E. Grimm, Esq.
A. Stewart, Esq.	A. F. Wallace, Esq.
John Sands, Esq.	L. Kühn, Esq.
H. Somerville, Esq.	H. Müller, Esq.
R. L. King, Esq.	H. G. Tippet, Esq.
W. W. Bailey, Esq.	T. W. Taylor, Esq.
A. Brown, Esq.	T. R. Booth, Esq.

James Taylor, Secretary.

The circular convening the Meeting having been read by the Secretary—

The following firms were proposed and admitted Members, after a ballot :—

1. The London, Asiatic, and American Company, Limited ; proposed by the Honourable Mr. A. J. Hunter, seconded by Mr. H. Maxwell.
2. Messrs. Fell, Gregson, and Co.; proposed by Mr. Alex. Stewart, seconded by Mr. H. Maxwell.

It was proposed by Mr. Stewart, of Messrs. Finlay, Scott, and Co., seconded by Mr. A. Brown, of Messrs. W. Nicol and Co., and unanimously agreed to—

"That the recognised rate of Commission in England on the sale of Consignments from Bombay taken after this date be 3½ per cent., exclusive of brokerage and guarantee, and that the same be added to the Scale of Commissions sanctioned by the Chamber."

It was then proposed by Mr. A. Grant, seconded by Mr. H. Somerville, and carried unanimously—

"That the English charge of Stamp Duty on local Policies, which some of the Banks propose to collect in Bombay, is, in the opinion of the Chamber, a Home charge, and ought to

be settled for by the banks in England with the consignees of the goods insured, and that the Committee be requested to communicate this resolution to the local Banks."

There being no other business before the Meeting, it was then dissolved, after a vote of thanks to the Chairman.

A SPECIAL GENERAL MEETING of the Chamber of Commerce was held on Tuesday the 29th of May 1866, at 3 P.M.

Present:

The Honourable A. J. HUNTER, Chairman, in the Chair.

H. E. Astley, Esq.	J. E. Grimm, Esq.
H. Somerville, Esq.	R. Campbell, Esq.
W. Christian, Esq.	C. Russell, Esq.
A. D. Grant, Esq.	C. Gaddum, Esq.
A. Stewart, Esq.	J. M. Somerville, Esq.
J. Tweedie, Esq.	L. H. Boult, Esq.
A. Brown, Esq.	H. E. Bright, Esq.
James Douglas, Esq.	L. Kühn, Esq.
E. D. Stead, Esq.	H. Müller, Esq.
James Windram, Esq.	T. Hutchinson, Esq.

James Taylor, Secretary.

The circular convening the Meeting having been read by the Secretary—

Mr. A. C. Gumpert was, on the motion of the Honourable A. J. Hunter, seconded by Mr. H. Somerville, balloted for and admitted as a Member of the Chamber.

The Chairman then moved—

"That Mr. R. L. Tracey be appointed to the office of Deputy Chairman, in the room of Mr. H. Maxwell, proceeded to Europe;" which motion was seconded by Mr. A. Brown, and carried unanimously.

The Chairman then introduced the subject of a proposition for obtaining periodical returns of stocks on hand of the principal articles of import, and concluded by proposing the following resolution, which was seconded by Mr. W. Christian:—

"That, subject to the proposition receiving the coöperation of all the firms composing this Chamber, half-yearly statements be prepared of the stocks of English goods held by importers, such statements to be compiled by the Secretary

from returns which shall be furnished by each firm of the packages in their possession. That the Secretary, understanding the information to be entirely of a confidential character, shall destroy the returns so soon as the necessary information has been obtained from them.

"Resolved, further, that these statements should be considered private, and be furnished only to the coöperating firms for their own use, and that of their correspondents out of Bombay."

After an expression of opinion on the matter by various Members, the resolution was put to the vote, when it was found that ten were in favour of making returns and seven against it.

In consequence of this result, the Chairman said that, as there was such a large proportion of votes against the motion, it would be better to withdraw it.

The motion was accordingly withdrawn.

There being no other business before the Meeting, it was then dissolved, after a vote of thanks to the Chairman.

A SPECIAL GENERAL MEETING of the Chamber of Commerce was held on Tuesday the 21st of August 1866, to consider the resolutions adopted by the head offices of the Indian Banks in reference to a reduction in the usance of India and China drawn bills.

Present:

The Honourable A. J. HUNTER, Chairman, in the Chair.
R. L. TRACEY, Esq., Deputy Chairman.

H. E. Astley, Esq.	J. E. Grimm, Esq.
H. Somerville, Esq.	R. Campbell, Esq.
W. Christian, Esq.	A. D. Grant, Esq.
A. Havenith, Esq.	J. A. Anderson, Esq.
Alex. Stewart, Esq.	S. Framjee, Esq.
J. M. Somerville, Esq,	H. D. Dods, Esq.
H. Müller, Esq.	W. E. Crum, Esq.
G. S. Clay, Esq.	H. G. Tippet, Esq.
F. Hoyer, Esq.	C. Macdonald, Esq.
Alex. Brown, Esq.	L. H. Boult, Esq.
R. T. Price, Esq.	F. Vix, Esq.
T. W. Taylor, Esq.	J. N. Wadia, Esq.
James Douglas, Esq.	E. J. Hardcastle, Esq.
A. H. Ashley, Esq.	James Windram, Esq.
James Hossack, Esq.	A. C. Brice, Esq.

James Taylor, Secretary.

The circular convening the Meeting, and the letter from the Banks on the question of a change in the usance of India and China drawn bills, having been read by the Secretary, the Chairman introduced the subject to the notice of the Meeting, and after some discussion it was proposed by Mr. A. D. Grant, of Messrs. Campbell, Mitchell, & Co., seconded by Mr. C. Macdonald, of Messrs. Macdonald & Co.—

"That in the opinion of this Chamber it is, in the interests of trade, inexpedient to reduce the usance from six months' to four months' sight, but that a change to six months' date may be found to work advantageously in the interests of all concerned."

Mr. A. Stewart then moved the following amendment to the proposition, which was seconded by Mr. W. Christian:—

"That the Chamber believes that, in the present state of monetary affairs, no opinion which it may express can have any weight in preventing or helping the change proposed by the Banks; and that the matter be left for future discussion."

Mr. H. Somerville proposed as an amendment, seconded by Mr. L. H. Boult—

"That, in view of the resolutions submitted by the Banks, it is, in the opinion of this Chamber, inexpedient to make any change."

On putting the original resolution and amendments, it was found that for the resolution there were five votes, for Mr. Stewart's amendment two, and for Mr. Somerville's sixteen; this amendment was carried accordingly.

Mr. Hoyer proposed that the resolution just passed be communicated to the Chambers of Commerce of Calcutta, Madras, and China, which was unanimously agreed to.

The Chairman said that with reference to the other portion of the resolution passed by the Banks, to the effect that "the undersigned further give notice that they will purchase bills of exchange drawn under credit only when the credits contain a distinct engagement with holders of the bills to accept the same," he thought there could be no doubt that it was thoroughly right and proper, and that it would receive the support of the Chamber.

There being no other business before the Meeting, it was then dissolved, after a vote of thanks to the Chairman.

The ANNUAL GENERAL MEETING of the Members of the Chamber of Commerce was held at the Offices of the Chamber on Wednesday the 26th of September 1866, at 3 P.M.

Present :

The Honourable A. J. HUNTER, Chairman, in the Chair.

Mr. H. E. Astley.
„ J. A. Anderson.
„ — Moore.
„ Alex. Stewart.
„ A. C. Gumpert.
„ H. G. Tippet.
„ H. Müller.
„ — Clay.
„ H. Somerville.

Mr. C. Macdonald.
„ Alex. Brown.
„ C. F. Peel.
„ L. H. Boult.
„ T. Price.
„ J. E. Grimm.
„ H. E. Bright.
„ O. Müller.

James Taylor, Secretary.

The notice convening the Meeting having been read, the Chairman called upon the Secretary to read the Report, which having been done—

Mr. A. C. Gumpert moved that the Report be received with thanks, and printed for general information, together with the documents therein referred to.

Mr. L. H. Boult, of Messrs. Robinson and Co., seconded this motion, and it was then carried.

Mr. Alexander Brown, of Messrs. W. Nicol and Co., moved that the Members of the Committee retiring were entitled to, and now receive, the thanks of the Chamber, for their attention to its interests during the year of office now expired.

This was seconded by Mr. H. E. Bright, of Messrs. Wallace and Co., and agreed to.

The Chairman mentioned, before they proceeded to the next resolution, that in the ordinary rotation the Chairman for the year now beginning would have been Mr. Tracey (who had been appointed Deputy Chairman in May last), but he regretted to say that Mr. Tracey, owing to the state of his health, which necessitated his absence from Bombay for some time, had thought it necessary to decline to occupy that position.

Mr. Alexander Stewart, of Messrs. Finlay, Scott, and Co., proposed—"That the Committee for the ensuing year be as follows:—Mr. William Christian, of the firm of Messrs. Peel, Cassels, and Co., Chairman; Mr. H. E. Astley, of Messrs. Ewart, Latham, and Co., Deputy Chairman; Members of Committee—Mr. H. Somerville, of Messrs. Lyon, Brothers and Co.; Mr. J. E. Grimm, of Messrs. Stoehr, Prieger, and Co.; Mr. A. D. Grant, of Messrs. Campbell, Mitchell, and Co.; Mr. E. Gaddum, of Messrs. Gaddum and Co.; and Mr. J. A. Anderson, of Messrs. Finlay, Clark, and Co.

Mr. H. Müller, of Messrs. Knoop and Co., seconded this resolution, which was then carried.

Mr. Hunter expressed his thanks to the Members of the Chamber, in the first place for having put him in the position which he had occupied for the last year, and in the second place for the support and assistance which the Committee had at all times received during that period.

A vote of thanks to Mr. Hunter having been passed on the proposition of Mr. Brown, the proceedings terminated.

ANNUAL REPORT.

Your Committee now meet the Members of the Chamber to give a brief account of the principal questions which have engaged their attention during their term of office, before resigning charge of the Chamber's interests and affairs to their successors, who will be appointed at the present Meeting.

The official year closes amid gloom and depression, after a commercial and banking panic more intense in character and protracted in operation than has hitherto been known in the history of Bombay. This panic, however, has not been confined to Bombay; it has been felt still more severely in England, where there has been a breakdown of long-established banking institutions, and a shaking of credit, to an extent unknown for nearly half a century. Early in the year large unlooked-for supplies of American cotton were brought to the Liverpool market, while the exports of this staple from Bombay during the same period were also larger than they had ever been. The stock rapidly accumulated, till it exceeded a million bales; prices suddenly fell in the early part of April from 15*d.* to 1*s.* per lb. for Oomrawuttee and fair Dhollera—in May they at one time touched 8*d.*; and from that date till now the price has not risen above 10*d.*, and has continued, with little fluctuation, at an average price of 9½*d.* per lb. The

sudden fall in the price of cotton affected other produce. Credit was checked and shaken; large banking and discount institutions, which had departed from their legitimate business, found themselves in difficulties through ambitious "financing" of an extremely unsound character, and were obliged to give way; panic ensued, and many engaged in honest, legitimate business had to give way with them. A "reign of terror" as regards financial credit for a time set in; the Bank of England rate of discount was raised to ten per cent., and maintained at that rate for nearly three months—a thing unexampled; and when reductions came to be made rapidly, by gradations from ten per cent. to five, it was unfortunately seen, by the continued depression in the price of produce, that, though money became easier, confidence, always "a plant of slow growth," did not revive.

A sudden fall of fifty per cent. in the price of the principal article of export continued for some months would have severely tried Bombay at any time; but this fall came at a time when many of those most largely embarked in the export of cotton had not been able to disentangle themselves from the slough into which they were thrown by the share gambling of the two previous years: so that, instead of mere embarrassment, we have had ruin spread far and wide, embracing in its folds some who were reputed the wealthiest in the place, simply because they also had traded far beyond their means. Bombay will more rapidly recover from its losses than reëstablish its character with the rest of the world; but

steady enterprise combined with integrity in conducting business will retrieve its character; and let us hope that the disasters from which we have not yet emerged may have the effect of teaching this lesson, which seems to have been greatly needed. This Chamber can honestly say for itself that ever since its institution as a public body to represent the interests of commerce here, now exactly thirty years ago, it has striven at all times to maintain a high character and posistion for its Members among the merchants of the world.

RECENT INDIAN LEGISLATION IN BREACHES OF MERCANTILE LAW.

Early in the present year the Chamber was asked by the Government of India, through the medium of the Government of Bombay, to express its opinion on the provisions of several Bills proposed for the improvement of Indian mercantile law on several very important points, and your Committee accordingly convened a General Meeting of the Members of the Chamber, early in February last, for the purpose of considering the measures which had thus been brought to our notice. The first of these,

A BILL TO PROVIDE A SUMMARY PROCEDURE ON BILLS OF EXCHANGE, AND TO AMEND IN CERTAIN RESPECTS THE COMMERCIAL LAW OF BRITISH INDIA,

Related to a branch of law of the greatest importance to the mercantile community. Up to 1855 the law of England on this point was so defective that

the present Lord Chief Justice of England, Sir Alexander Cockburn, characterised the fictitious and fraudulent defences commonly set up in actions on bills of exchange as "a disgrace to Courts of Justice." The law thus severely condemned was still the law on the subject in India; when in October last, shortly after your Committee came into office, the subject of delay in getting judgment, even when no defence was offered, was brought to their notice in a very special manner, in reference to a particular case in the experience of a firm belonging to the Chamber. The matter was fully considered by your Committee, and, after consulting the Members generally by circular, the papers they had prepared on the subject were placed in the hands of eminent counsel here, in view to the preparation of a memorial to the Government of India, praying that immediate steps might be taken to assimilate the law of India in reference to bills of exchange to that which now rules in England,—when the Honourable Mr. Maine's Bill became known to the public through the newspaper reports of the proceedings of the Governor General's Council for making Laws, which of course rendered the proposed action on the part of your Committee in the matter of a memorial unnecessary.

Your Committee, being already in possession of the Chamber on the necessity of a change in the law on this subject, addressed the Government of India, through the Bombay Government, to the effect that as Mr. Maine's Bill was mostly a transcript of the English Act, with merely the necessary changes to

adapt the same to Indian procedure, the very thing your Committee were about to suggest in their proposed memorial, it had, of course, their general approval. It seemed, however, to your Committee that the Bill did not, as they understood it, sufficiently provide for prompt execution of judgment, a matter only second in importance to speedy judgment itself. It was afterwards explained, however, by Mr. Maine, in the discussion on the Bill in Council, that in reference to the point indicated as a defect by your Committee no fresh clause in the Bill was required, that it was a matter of detail connected with the efficiency of the staff concerned in the execution of the decrees of the High Court, and that the matter was one that could be dealt with by the local Government or the Judges of the Court.—*(Appendix* **A.***)*

The second Bill submitted to the Chamber for consideration was to provide

FOR THE INCORPORATION, REGULATION, AND WINDING UP OF TRADING COMPANIES AND OTHER ASSOCIATIONS,

Now familiarly known as "The Indian Companies Act, 1866." It is merely a transcript of the English Companies Act of 1862, with the alterations necessary to adapt it to the requirements of this country.

The Bill was cordially approved by the Chamber, on the grounds that the changes it made were in themselves judicious, and that it formed in a measure a complete code for the formation, regulation, and winding up of companies of every description,

simplifying the law on the subject, and making it easily available for the information of the public.—*(Appendix* **B.***)*

The third measure submitted for the consideration of the Chamber was

A BILL TO AMEND THE LAW OF PARTNERSHIP IN INDIA.

This Bill was principally a transcript of an Act passed by the British Parliament last year, with an addition which has the effect of permitting a retiring partner leaving in a business the value of his share to be considered as making a loan and sharing profits, without being reckoned a partner, and the omission of the 5th section of the English statute, which provides that, in case of the borrower's insolvency, the commanditarian lender shall not be entitled to prove in competition with the other creditors.

When the Bill was discussed at the public meeting, it was found there was much difference of opinion on the subject amongst the Members, and the resolution carried was to the effect that Members should send in their opinions in writing to the Committee by a given date. But though the Committee waited for minutes long after the date appointed, barely a third of the firms belonging to the Chamber recorded their opinions on the Bill. When the minutes were received, it was considered necessary that they should be printed, on account of their length, for convenience in perusal, and that copies might be sent to the members of the Governor General's

Council for making Laws. All this caused delay, and in the mean time, before the minutes, which were transmitted through the local Government, could be much more than on their way to Calcutta, your Committee learned, from the reports published in the newspapers, that the Bill had been finally considered and passed on the 23rd of March. This intelligence came upon us as a surprise, and was heard with regret, as it was not supposed that the Government of India would have proceeded in such haste with a Bill of such importance, without affording ample time for the maturest consideration of its principle and provisions. Your Committee considered that as the Bill proposed to make a radical change in so important a branch of mercantile law as that of private partnership, that the subject was so new to merchants in India that few had given it any consideration when the Bill was introduced in December, and when it went further in the way of change than had been deemed expedient in England, after much discussion of the subject in all its bearings, it was a serious mistake to make it law without affording anything like sufficient time for a deliberate consideration of the objections that were urged against it.

For these and other reasons, entirely irrespective of the merits or demerits of the bill, your Committee lost no time in expressing their opinion to Government, in a pointed manner, in reference to the undue haste with which, in their opinion, the Bill had been proceeded with through all its stages. The letter from the Secretary, addressed to Government, conveying the opinion of the Committee, was at the same

time printed and circulated amongst the members of the Chamber for their information. The answer given to this letter by the Government of India was courteous, but by no means satisfactory; it was not, however, deemed expedient by your Committee to reply, and point out what they believed to be misconceptions on the part of the Government of India as to the points taken up in the Chamber's communication, as no good results could be expected to follow from discussion on a subject that was for the time practically settled.—*(Appendix* **C.***)*

REGISTRATION OF PARTNERSHIPS.

When handing up the minutes of Members of the Chamber on the Partnership Law Amendment Bill, your Committee called the attention of Government to the importance of having a register of all partners in mercantile firms. The matter was not considered in the discussions which took place in the Legislative Council of the Governor General on the Honourable Mr. Maine's Bill, though it was dwelt upon in some of the minutes of the Members of this Chamber.

Some such measure is now absolutely necessary, in justice to the public, in the case of firms receiving commanditarian loans, as otherwise they may appear to be possessed of capital which is not their own, and the lenders may be supposed to be responsible partners, when it is not the case. A system of registration would also provide indirectly something of a remedy for a want felt strongly by all European merchants and bankers in India, viz., the means of

finding out the position of Native firms as regards the liability of the partners. The members of this Chamber know well, from their own experience, that it is a common thing for Native firms to conceal the names of their partners, and then in case of insolvency to affirm that men who had always been supposed to be partners were not so. Cases must be known to many of you in which men who regularly bought and sold for a firm, signed its name, and were supposed to be members of the firm, have afterwards, on its insolvency, denied that they were partners. In such circumstances it is almost impossible to prove their statements untrue, and they thus manage to get rid of their liability and defraud their creditors. Your Committee hope this question may receive the consideration of their successors, and engage the attention of the Chamber, in view of addressing Government on the subject at an early date.

BILL FOR CONSOLIDATING AND AMENDING THE LAWS RELATING TO THE PROCEDURE OF THE COURTS OF CIVIL JUDICATURE IN BRITISH INDIA.

The attention of your Committee was directed to Sections 638 and 639 of this Bill, which has been now for some time before the Legislative Council of the Governor General. These sections appear to have for their object the subjection of all proceedings in the High Court (should the Bill become law as it now stands) to the stamp duties imposed by Schedule B annexed to Act X. of 1862, the effect of which will be that every person wishing to commence a suit will, upon the institution thereof, have to pay

stamp duty varying from Rs. 50 to Rs. 2,000—all plaints for the recovery of a larger sum than one lac of rupees being subject to the latter amount of duty.

Your Committee, on considering the subject, felt it to be their duty to call the attention of Government to these sections, as in their opinion sanctioning the principle that the administration of justice may be taxed for the expenses of the State—a principle so reprehensible in character that it was likely to call forth not merely the decided opposition of the Chamber, but of the whole community.

The Government of India, in reply, informed the Chamber, "under the orders of the Governor in Council, Bombay," that "the Revised Code of Civil Procedure, as amended by the Select Committee, is under consideration of the Secretary of State, and will not be proceeded with till he has expressed his opinion." It was farther stated that "the sections referred to are merely intended to carry out the substitution of stamps for fees on the Original side of the High Court—a measure which has been long contemplated, and many times discussed in the Legislative Council." Whether this measure has been long contemplated or not, it appears to your Committee a very questionable one, and they hope the matter may secure the attention and consideration of the Chamber and the public, in view of offering it a well-directed opposition before it is too late.—(*Appendix* **D**.)

A GOLD CURRENCY FOR INDIA.

This question, which on previous occasions had been much considered by the Chamber, was again

brought under discussion at the General Meeting which was held in February last, in reference to a memorial from certain Native merchants to the Government of Bombay, praying that the English sovereign might be made a legal tender, at the value of ten rupees, and which Government submitted to the Chamber for its opinion. Though there was an interesting discussion on the subject, no definite conclusion was arrived at, and the Committee were authorised to address Government as they might consider expedient in conformity with the known and expressed opinions of the Chamber. The continued discussion of this important subject for several years has indisputably established that, on grounds alike of economy and convenience, the introduction of the English sovereign into the monetary system of India is most desirable. Beyond this, controversy continues; and doubtless the introduction of the sovereign, as a legal tender at the value of ten rupees, has to be determined on wider and more important considerations. One good result has evolved from the continued discussion of this question, viz., comparative moderation in the statements used on both sides. Eight or ten years ago some of the ablest and best men connected with Indian administration deprecated the introduction of a gold currency into this country, because the supposed cheapness of the metal as compared with silver would be tantamount to breaking faith with the public creditors. On the other hand, so late as even three or four years ago the introduction of a gold currency was vehemently argued for, on the ground

that in a very short time India would absorb the available silver of the world! We now know both views to be extreme, and fortunately at the present moment we are in a position to consider the subject with coolness and deliberation, your Committee trust with every prospect of reaching the result so much desired by the public, without injury to any interest whatever.—(*Appendix* **E.**)

GOVERNMENT INQUIRY INTO THE OPERATIONS OF ACT XIX. OF 1861, TO PROVIDE FOR A PAPER CURRENCY.

Shortly after the discussion in the Chamber on the subject of a Gold Currency, your Committee received, through the local Government, a circular from the Commission appointed by the Government of India, containing a list of queries bearing on the working of this Act, by which a Government Paper Currency was established in 1861, and requesting the expression of the views of the Chamber on the several points therein noticed.

The queries were considered by your Committee, and replies duly forwarded to the Secretary of the Commission at Calcutta. Many of the questions were of a special and somewhat narrow character, intended for public servants in charge of treasuries, to which, of course, no answers from the Chamber could be given; but others were of a wider and more important nature: and it is probable that a body of evidence sufficiently valuable may have been collected to enable the Government of India to deal effectually with the question of a Gold Currency, as well as to

amend the Currency Act in such a manner as may ultimately lead to a Government Paper Currency being as well known and popular in the Mofussil as it now is in the presidency towns.—(*Appendix* **F**.)

THE WORKING OF THE INDO-EUROPEAN TELEGRAPH.

Towards the close of last year the unsatisfactory working of the Indo-European Telegraph engaged the attention of your Committee. It was at the same time represented to them by the Committee of the East India and China Association, London, that a motion would be made, at the earliest opportunity after the opening of Parliament, for a Committee of inquiry on the subject, as well as that of the state of postal communication between India and England. In these circumstances, your Committee appealed to the Members of the Chambers to be supplied with such information regarding the working of the telegraph as their experience might enable them to furnish. The appeal was promptly and generally responded to: a large collection of important facts was placed at our disposal, and these your Committee were enabled to embody in a petition, which was drawn up and transmitted in January last, to Mr. William Graham, M. P. for Glasgow, and an old Member of the Chamber, for presentation to the Commons House of Parliament. The Members of the Chambers are all of course well aware that in the month of February, on the motion of Mr. R. W. Crawford, one of the members for the City of London, a committee was granted, which after a protracted inquiry finished its labours, and presented its Report

to the House of Commons, a short time before the closing of the late session of Parliament. The substance of the Report, and the recommendations of the Committee, have appeared in the newspapers; but the complete Report, with the minutes of evidence, has not yet been published, or at all events, so far as your Committee are aware, has not yet been received in Bombay. The Committee's recommendations have been generally accepted, but one point of much importance, though it may possibly have been considered, has not been touched upon in the Report. It is recommended "That, with the view to better security against accident in time to come, the communication by way of the Persian Gulf should be doubled, either by the laying of a second submarine cable, or by continuing the land line from Kurrachee and Gwader to Bunder Abbas, and thence, under arrangements with the Government of Persia, to Ispahan, by way of Kerman and Yezd." This recommendation is good as far as it goes, but it does not grapple with the most unsatisfactory portion of the whole subject, as regards communication between Bombay and London, the line between Bombay and Kurrachee. The portion of the Indian telegraph between Bombay and Kurrachee was found to be the most unsatisfactory in all India before the Indo-European telegraph was established, as the Chamber has more than once had occasion to represent to Government, and since then matters have simply gone from bad to worse. In a resolution of the Bombay Government, passed in reference to the Chamber's petition to Parliament, under date 12th February

last, it is stated, in reference to the Kurrachee line—"It will be pointed out to the Government of India that frequently a large portion of the delay in delivery of Indo-European telegrams occurs after they have reached Kurrachee, and that this delay is perfectly and easily preventible by ordinary improvements of the lines." No doubt this delay "is perfectly and easily preventible," and doubtless the Bombay Government has shown it to be so; but nothing in the way of improvement is done. So late as the early part of last month (August) when there was more anxiety about the rapid transmission and receipt of telegrams from Europe, in reference to matters political and commercial alike, since the opening of the Indo-European Telegraph, telegrams that only took two days to reach Kurrachee from England were seven days in reaching Bombay from Kurrachee.

It is matter of regret that the present Viceroy and Governor General of India, whose great services to the State command our highest respect, should not have taken in hand the maladministration of the Telegraph Department, the worst-managed department under the Government of India, with a view to its being reorganised and reformed in such a manner as in a very short time may secure to it the good-will and confidence of the public. Your Committee are of opinion that the working of the Indo-European Telegraph, in so far as the Indian portion of it is concerned, will never be placed in a satisfactory condition till it is supplemented by a submarine cable from Gwader to Bombay.—*(Appendix* **G.***)*

WEEKLY MAIL COMMUNICATION BETWEEN ENGLAND AND INDIA VIA BOMBAY.

On this subject, beyond bringing to the notice of the Parliamentary Committee the course taken by the Chamber last year, and furnishing the Committee with copies of the Chamber's memorial in favour of the establishment of weekly mail communication at the earliest date practicable, no action was deemed requisite. The very able discussion of the subject by Mr. Riddell, the Director General of the Indian Post Office, supported as his views were in so efficient a manner by the Government of India, and by Lord Halifax, when Indian Secretary of State, effectually disposed of the question in so far as argument or information was concerned. Mr. Crawford's committee having also reported strongly in favour of the proposed change, the Home Government has had really no alternative but to acquiesce in the opinions that have been so strongly pressed upon it from so many opposite quarters; and it was announced, just before the prorogation of Parliament, that steps would be taken to carry out the recommendations of the Committee, as soon as it could be done, on the termination of existing contracts.

COTTON CULTIVATION.

The improvement of the cotton cultivation in this presidency is a subject in which the Chamber has at all times taken great interest. It is gratifying to notice the increasing interest taken in the subject in so many different quarters in Western India, and

your Committee are happy to state that many proofs of this increased interest have come to their knowledge, in the number and variety of samples that have been submitted for examination and report, from experiments carried on in various quarters of the presidency, and even beyond it.

By far the most important of these experiments is that which has been conducted in Khandeish, where, through the energy and tact of the Collector, Mr. Lionel Ashburner, aided by Mr. P. Hewett, Cotton Inspector, and with the consent and good-will of the ryots, the cotton cultivation of the province has been completely changed by the introduction of cultivation from Berar seed. Your Committee had samples of the new Khandeish cotton submitted for their inspection towards the close of last year, and they expressed their opinion to Government that, judging from the samples submitted to them, the Khandeish experiment was the most important that had yet been made. Should the experiment prove permanent in its character, which there seems no reason to doubt, it promises to supersede the poorest variety of the indigenous cotton of this presidency, by a new variety, that will henceforth entitle the cotton of Khandeish to rank with the best. Your Committee had pleasure in expressing to Government the high sense they entertained of the important services which had been rendered by Mr. Ashburner and Mr. Hewett to the work of improving the indigenous cotton cultivation of this part of India. Some samples of cotton grown in the Mysore country from

Egyptian seed submitted to your Committee for report were of a very interesting character, the cotton being much superior to anything seen in Bombay. Judging from the samples that have been brought before your Committee, from various places, of cotton grown from Egyptian seed, your Committee are inclined to believe that this variety, if carefully cultivated in certain districts, would have an important effect on the general improvement of the cotton cultivation in this Presidency.—(*Appendix* **H.**)

WORKING OF THE COTTON FRAUDS ACT.

The annual Report of the Inspector in Chief, Cotton Department, was circulated amongst the Members of the Chamber a short time ago, on the receipt of a copy from Government, for the purposes of acquainting them with the facts which it recorded, and of affording them an opportunity of recording such views as the statements regarding the working of the Cotton Frauds Act contained therein might suggest. Though there are differences of opinion amongst the Members as to the value of the Act, and the propriety of continuing the Act in force, there was considerable unanimity on the point that the cotton received in Bombay has been much more free from adulteration since the Act was passed. The improvement that has been noted in the quality of the cotton brought to market is not traceable to the operations of the Act, but by the application of the machinery which it called into existence to purposes which the Act never contemplated. The Cotton Inspectors appointed under the provisions of the Act

have been usefully employed, under the orders of the Collectors in the cotton-producing districts, in assisting, cajoling, and directing the ryots to improve their system of cotton culture. There can be little doubt that these officers are more usefully employed in this way than by their being confined to the functions which the Act contemplated in their appointment, to act "as police officers for the prevention of certain descriptions of offence" specially defined therein. Some suggestions were made from the Cotton Inspector's Department, towards the close of last year, in reference to the matter of "cotton pickings," which your Committee were unable to approve; the matter itself was of trivial importance, and by no means deserving of the consideration that appeared to have been bestowed on it. Your Committee took occasion to point out to the Inspector in Chief that one of the best services the department could render would be to use an intelligent oversight in preventing the mixing of good and bad qualities of the same variety of cotton in the same bale, one of the worst evils merchants have to complain of, and an evil for which the Act provides no remedy. Your Committee deliberated on the propriety of applying to Government for an amendment of the Act in this particular point, but mature consideration of the matter led them to think that further legislation would only cause mischief. A good deal of inconvenience was caused to merchants a year ago, on the opening of the trade at Dholleŕa after the monsoon, by the officious interference of a Sub-Inspector who appeared to have been newly appointed, and was somewhat ignorant

of his duties; but the obstruction, on representation, was soon removed, and otherwise your Committee have pleasure in bearing testimony to the careful manner in which the duties of the department are conducted, in so far as they have had occasion to deal with it.—*(Appendix* **I.***)*

REVISION OF EXISTING TARIFF VALUATIONS.

In May last your Committee received a communication from the Government of Bombay, handing a resolution of the Governor General of India in Council, directing that a Committee should be formed at Calcutta to institute a through revision of the existing tariffs of valuations, and that "the revisions should be conducted on a plan which will admit of tariffs being retained for all India." Mr. Bellasis, Commissioner of Customs, was appointed by Government to represent the interests of this presidency on the Calcutta Committee, and a local Committee, consisting of the Chairman and three other Members of the Chamber, was appointed to confer with Mr. Bellasis on all points likely to engage his attention in the deliberations of the Committee which is about to assemble at Calcutta under the orders of the Government of India. The points to which the Committee are required to give attention are—

"*First*—The adjustment of a set of valuations applicable to India generally;

"*Second*—A new classification and consolidation of the enumerated articles; and

"*Third*—The removal to the free list of petty

articles which neither yield, nor are likely to yield, any appreciable revenue."

A minute prepared by the Chairman, indicating what appeared to him to be fair valuations for the leading articles of import, especially in the articles of cotton goods, was circulated for information and opinion, and met with the unanimous approval of the Members. Copies of this minute were furnished to the Commissioner of Customs, and the Chambers at Madras and Calcutta. The local Committee in Bombay, which was formed, under resolution of the Bombay Government, to confer with the Commissioner of Customs in making a revision of the tariffs of valuations, finished their labours a few weeks ago, and Mr. Bellasis has since proceeded to Calcutta to join the committee about to assemble there.—*(Appendix* **J.***)*

RAILWAY PROGRESS.

Your Committee have to return their best thanks to Mr. Rushton, the Chief Resident Engineer and Acting Agent of the G. I. P. Railway, for a succinct and interesting memorandum detailing the progress made in the extensive undertakings of the Company since the date of the memorandum furnished last year, and to Mr. Currey, Agent of the B. B. and C. I. Railway, for an interesting statement regarding the present state of that line and the works in progress, together with some new information regarding the proposed extension, in connection with this company, from Baroda to Neemuch and Delhi—a project of the greatest importance, alike on political

and commercial grounds, and which not Bombay merely, but all India, is interested in seeing carried out. Your Committee further avail themselves of this opportunity to express the obligations of the Chamber to the Agents of both railways for so readily complying with their request to furnish periodical statements of the amount of bullion exported on their respective lines from Bombay to the interior, of the number and weight of bales of British manufactured piece-goods, of the weight and number of bales of cotton and of seeds brought to Bombay by railway. It was the wish of your Committee to publish these statements weekly in the first number of the Trade Returns published after their receipt; but though the Agent of the B. B. and C. I. Railway is kind enough to furnish weekly statements, the G. I. P. Railway are unable to do it oftener than in monthly statements: and the returns from both railways are therefore only published monthly, as it was considered desirable that the statistics from both railways should appear at the same time.—*(Appendix* **K.***)*.

TRAFFIC WORKING OF THE G. I. P. RAILWAY.

As it had been an unpleasant duty on previous occasions, to former Committees of the Chamber, to be compelled to make representations to Government on the subject of the inefficient management and working of the traffic on the G. I. P. Railway, your Committee have much pleasure in publicly acknowledging the great improvement that has taken place during the past year in this respect, and the great services rendered to the Railway and the public by

Captain Osborn, by the reforms effected during his tenure of office as Agent of the Company. In the four months from October 1865 to the end of January 1866 the railway had brought 330,000 bales of cotton to Bombay in excess of the traffic in the same article during the same period of the previous year, and all this was effected in a regular and orderly manner, without giving rise to complaints. In February last the stations of the railway on the north-east line in the Berar districts were so overcrowded with stores of loose cotton, that the line was unable to carry much more than a fourth of what was then offering.

Captain Osborn applied to the Chamber, in a letter to the Chairman, to take some steps to teach the natives how much their interests are involved in bringing the cotton to market in a portable shape. Government at the same time informed us that it was prepared to coöperate to the utmost of its power if the Chamber would indicate what could be done by Government without interfering injuriously with private enterprise. The subject was considered by your Committee, and a Special Meeting was convened, at which Captain Osborn and the principal Native cotton dealers in Bombay were present, to confer as to the course that should be taken to meet the exigencies of the case. Your Committee recommended that steps should be immediately taken to introduce into Berar the system of half-pressing, common to Guzerat, to which all the dealers, after considerable discussion, agreed.

Though the recommendations made by the Committee to Government were not carried out as proposed, good was effected by stimulating private enterprise to take up the matter of half-pressing, and arrangements on a considerable scale are now in course of being carried out for effecting this object. Meantime it should be mentioned to the credit of the traffic department of the railway that every bale of cotton offered had been brought to Bombay long before the setting in of the monsoon. It is, in the interests of the public, matter of regret that the state of Captain Osborn's health did not permit of his continuing in the service of the railway in the capacity of Agent.—*(Appendix* **L.***)*

REORGANISATION OF THE PILOT SERVICE OF THE PORT OF BOMBAY.

The Harbour and Pilotage Board prepared and submitted to Government some months ago a scheme for the improvement and reconstruction of the pilotage system of the port, which Government afterwards submitted to the Chamber for its opinion. The scheme was fully considered by the Committee, who were also favoured with the opinions of the Members of the Chamber having the largest experience in all that concerns the shipping interests of the port. In reporting the views of the Chamber to Government, your Committee took occasion to point out some important matters of detail wherein they differed from the Board, but otherwise they were able to accord their general approval of the scheme as a very great improvement on the present system, and

recommended that in its main features it should be carried out as early as might be practicable. In a Government resolution passed on the subject on the 15th of last month, it was stated that Government felt inclined to concur in the modification suggested in the Board's scheme by your Committee, and by Captain Giles, Master Attendant at Kurrachee, which in all other respects Government considered a "great improvement on the present system."—*(Appendix* **M.***)*

WRECKS OFF THE HARBOUR OF BOMBAY.

The wrecks that have occurred off Bombay Harbour this year, before and during the season of the monsoon, have been unusually numerous, and of a very disastrous character. The attention of your Committee, in the beginning of August, was drawn to the dangerous position of the ship *Zenobia*, wrecked at Alibagh; and an earnest representation was at once made to Government that the masts of this vessel which were then standing made her appear like a ship shortening sail to come into port, that she was acting in this position as a decoy for ships making for the harbour, and that the masts should be cut away without loss of time. In the mean time your Committee were informed of the very prompt manner in which the Superintendent of Marine had taken the necessary steps for warning off ships making the harbour from the dangers to be apprehended at Alibagh, till such time as the wrecks could be cleared to such an extent as would preclude their acting farther as a decoy, and had the pleasure of informing Government to this effect. The Members of

the Chamber must have learnt with satisfaction that the Lighthouse for Kennery, which has so long been discussed and talked of, has at length been sanctioned, and that the work is at once to be proceeded with.—*(Appendix* **N.***)*

MARINE COURTS OF INQUIRY.

The unsatisfactory character of these Courts, as at present conducted, has lately been represented to your Committee in a careful and well-drawn memorial, which proceeds from the masters of all the ships in harbour. The views set forth in this memorial are, for the most, approved, and the Secretary has been instructed to address Government on the subject.

COMMISSION ON NATIVE CONSIGNMENTS.

At a General Meeting of the Chamber held in the end of March last, the subject of the rate of commission on Native consignments of produce was considered. The feeling was general that the old rate of $2\frac{1}{2}$ per cent. was altogether inadequate. It was accordingly proposed, and carried unanimously, "that the recognised rate of commission on the sale of Native consignments taken from date be $3\frac{1}{2}$ per cent., exclusive of brokerage and guarantee, and that this resolution be added to the List of Commissions sanctioned by the Chamber." The resolution was duly advertised, and was kept before the public in the advertising columns of the newspapers for some time.

RE-DRAFTS ON NATIVE CONSIGNMENTS.

The attention of your Committee was specially directed to this subject about three months ago, in

consequence of the difficulty experienced by merchants in getting Native shippers to fulfilt heir obligations when re-drafts for the balance of accounts on consignments were tendered for acceptance. Defences of a most frivolous and vexatious kind are monly put forward, and occasionally they are of a character that amounts to repudiation. Your Committee prepared a series of questions in reference to actions in the High Court for the recovery of balances of account in cases where the acceptance of re-drafts were refused, which were submitted for the opinion of counsel through the solicitors employed by the Committee. Copies of these questions, with the answers of counsel, were duly circulated amongst the Members for their information. From these answers Members will have seen how utterly unsatisfactory the whole matter stands in reference to the institution of suits in the High Court for the recovery of balances on account of consignments.—*(Appendix* **O.***)*

USANCE OF INDIA AND CHINA BILLS OF EXCHANGE.

This question was considered by the Chamber at a general meeting held on the 21st of last month, in reference to a series of resolutions passed at a meeting of the Indian Banks held in London on the 29th of June, and communicated to the Chamber by the Chairman of the Meeting. The resolutions were to the effect that it was considered advisable to shorten the usance of bills drawn in India and China on Europe; and the Banks agreeing to them gave notice that from the 1st of January next their branches and agencies in the East would only buy and sell

bills of exchange at a term not exceeding four months' sight; and, secondly, notice was given that the Banks in question would only "purchase bills of exchange drawn under credits only when the credits contain a distinct engagement with the holders of the bills to accept the same." In regard to the first of these resolutions, it was the opinion of the Chamber that the proceedings of the Banks in this important matter were hasty and not well considered, and that their resolutions were passed in a time of panic, without any consultation with merchants, while no reasons were assigned to prove that the disasters from which banking and commerce were suffering had any possible connexion with the present six months' sight usance in India and China bills. Various resolutions were submitted at the General Meeting, but the resolution which was carried in reference to an alteration of usance was to the effect that it was inexpedient to make any change. The other resolution of the Banks, in reference to bills drawn under credits, had the entire approval of the Chamber. The resolutions passed on this question at the General Meeting were duly communicated to the Chambers of Commerce of Madras, Calcutta, and China, and to the Chairman of the Meeting of the Indian Banks in London.—*(Appendix* **P.***)*

MISCELLANEOUS.

The references to your Committee during the past year on questions connected with the shipping and commercial interests of the port have been numerous and of a varied character, and were

disposed of in the usual manner. Such of the questions as possess public interest will be found in the Appendices to this Report, together with important papers on other subjects, on which it has not been deemed expedient to enter here.

The funds of the Chamber.—The income has been quite equal to the expenditure. The balance in the Treasurer's hands on the 31st ultimo amounted to Rs. 4,541-12-0—a somewhat larger balance than usual—but sundry accounts, for printing &c., which have not been rendered to us, have yet to be met.—*(Appendix* **Q.***)*

CONCLUSION.

In conclusion, we have to thank the Members of the Chamber for the ready support they have afforded us at General Meetings, and for their attention to the subjects on which we have had occasion to consult them by circular. Your Committee, during their term of office, have been much in communication with the Government of Bombay on questions of mercantile and public interest, and it affords them true pleasure thus publicly to acknowledge the courtesy, consideration, and attention with which their representations have at all times been received.

APPENDIX A.

SUMMARY PROCEDURE ON BILLS OF EXCHANGE.

No. 95 of 1866.

JUDICIAL DEPARTMENT.

Bombay Castle, 10th January 1866.

SIR,—I am directed by the Honourable the Governor in Council to forward herewith copy of a letter from the Secretary to the Government of India, No. 5436, dated 30th December 1865, together with its enclosures, and to request that you will be so good as to obtain and favour Government with, as early as possible, for submission to the Government of India, the opinion of the Chamber of Commerce on the provisions of the proposed enactment "to provide a summary procedure on Bills of Exchange, and to amend in certain respects the commercial law of British India."

I have the honour to be, &c.,

(Signed) C. GONNE,
Secretary to Government.

To the SECRETARY TO THE BOMBAY CHAMBER OF COMMERCE.

No. 5436.

HOME DEPARTMENT.

From E. C. BAYLEY, Esq.,
Secretary to the Government of India,

To the SECRETARY TO THE GOVERNMENT of Bombay.

Dated Fort William, the 30th of December 1865.

SIR,—I am directed to forward to you a copy of the papers noted on the margin, and to request that, under the permission of the Governor in Council, the opinion of the Bombay Chamber of Commerce on the provisions of the proposed enactment may be obtained and submitted, as early as possible, for the information of the Governor General in Council.

A Bill to provide a summary procedure on Bills of Exchange, and to amend in certain respects the commercial law of British India.
Statement of objects and reasons.

I have the honour to be, &c.,

(Signed) E. C. BAYLEY,
Secretary to the Government of India.

No. 26 OF 1866.

To C. GONNE, Esq.,
Secretary to Government, Judicial Department,
Bombay.

Bombay, Chamber of Commerce, 5th February 1866.

SIR,—I am directed by the Committee of Management of the Chamber of Commerce to acknowledge the receipt of your letter No. 225 of 1866, dated 20th ultimo, forwarding copy of a bill "to provide a summary procedure on Bills of Exchange, and to amend in certain respects the commercial

law of British India," together with copy of a letter from the Secretary to the Government of India, requesting the opinion of this Chamber on the provisions of the same.

2. In reply I have the honour to state, for the information of His Excellency the Governor in Council, that the subject which forms the main portion of the proposed enactment engaged the attention of the Chamber some months ago, and papers referring to the matter were in the hands of eminent counsel here, in view to the preparation of a memorial to the Government of India praying that immediate steps might be taken to assimilate the law of India in reference to Bills of Exchange to that which now rules in England on this subject, before the Honourable Mr. Maine's Bill become known to the public through the newspaper reports of the proceedings of the Legislative Council of India.

3. Regarding the provisions of the Bill now submitted for the opinion of the Chamber—as these consist mainly of a transcript of Act 18 and 19 Vict.; Chap. 67, for facilitating the remedies on Bills of Exchange and Promissory Notes, &c., with merely the necessary changes to adapt the same to Indian procedure, and as a leading object which the Chamber had in view in considering the subject was to pray the Government of India to make this Act, which has worked so well in England, a law of India also, I am to state that the Chamber accords its general approval to the same.

4. I am, however, directed by the Committee of Management to call the attention of His Excellency the Governor in Council to what, in their opinion, appears to be a defect in the Bill introduced by the Honourable Mr. Maine into the Legislative Council of India, as compared with the English enactment, which otherwise it generally follows.

5. Clause I. of Act 18 and 19 Vict., Chap. 67, provides not merely for judgment by a summary process, but also, in cases where a defendant has not obtained leave to appear, the plaintiff, on filing an affidavit of personal service, may at once sign final judgment, according to a form contained in Schedule B appended to the Act, on which judgment no proceeding in error is permitted to lie, and plaintiff may at once proceed to recover in terms of the decree. The portion of Clause I. in the English Act above referred to is omitted from Mr. Maine's Bill, as also the schedule which contains the form for giving it effect.

6. It may be that the Indian Code of Civil Procedure provides a remedy for what otherwise appears to the Committee (possibly from their want of legal knowledge) a defect in the proposed Bill: the matter doubtless has been considered by the able and learned gentleman the honourable promoter of the same; but in any case the Committee consider it necessary to draw attention to the point, as prompt execution of judgment in actions on Bills of Exchange is a matter only second in importance to speedy judgment itself.

7. Ten years ago the present Lord Chief Justice of England characterised the fictitious and fraudulent defences commonly set up in actions on Bills of Exchange, in the then existing state of the law, as "a disgrace to Courts of Justice,"—it is the condition of law thus pungently denounced that still pertains in India, and the Bill now under consideration, which is proposed with the view of reforming it, will not accomplish the good expected from it if it does not effectually provide for summary execution as well as summary judgment.

8. The delay which at present exists in obtaining execution of judgment amounts almost to a denial of justice.

9. In illustration of this statement, I may give the experience of a firm belonging to the Chamber, in a late action in which they were plaintiffs for the recovery of Rs. 4,757 on a dishonoured Bill of Exchange.

10. The plaint was filed on the 29th of April last year, and judgment given in their favour on the 10th of June. There was no defence, and the defendant never appeared, yet execution of the decree was not effected till December.

11. Though the "law's delay" is unfortunately a common thing, it seemed so inexplicable in the present case, that the Chamber asked for farther information on the subject. The explanation given by the respectable firm of attorneys employed by the plaintiffs was accordingly handed in, and it amounts to this—that there is such delay in the Taxing Master's and Registrar's offices in passing papers, that weeks and months elapse ere the attorneys can receive them for the purpose of preparing the decree.

12. This is not a solitary case, for other illustrations of a similar character in the experience of our merchants might be given.

13. It is not for the Committee to point out how this state of affairs is to be remedied, but while it is permitted to continue it is undoubtedly "a scandal to the administration of justice."

14. Till this "scandal" is removed, and summary proceedings, in the fullest sense, on dishonoured Bills of Exchange made available, Bills of Exchange have but small chance of becoming generally, what they have sometimes been described as being, securities as negotiable as Bank Notes, and circulating freely as sovereigns.

15. Section 12 of the Bill, which declares what bills in British India shall be deemed "Inland Bills," clears up a point which hitherto has given rise to doubts and litigation: this and the other sections of the Bill not specially remarked on are cordially approved.

16. In conclusion, I am to observe, the Committee view with satisfaction the proceedings which have been initiated in the Legislative Council of India in reference to this and other proposed measures of mercantile legal reform; and in respect to the Bill now under consideration, if the point to which the attention of His Excellency the Governor in Council has been especially directed can be made part of its provisions, it will, when passed into law, effect a valuable improvement in an important branch of commercial law.

I have the honour to be, &c.,

(Signed) JAMES TAYLOR,
Secretary.

No. 721 OF 1866.

JUDICIAL DEPARTMENT.

Bombay Castle, 24th February 1866.

SIR,—I am directed to inform you that a copy of your letter dated the 5th instant, in which you communicated the opinion of the Chamber of Commerce on the provisions of the Bill to provide a summary procedure on Bills of Exchange, has been forwarded to the Government of India.

2. The Honourable the Governor in Council considers that the officers of the High Court should be given an opportunity of explaining the delay that is said to take place in obtaining execution of the decrees of the High Court: and a copy of your letter under reply has accordingly been forwarded to the Honourable the Chief Justice of the High Court, and his attention drawn to paragraphs 8 to 14.

I have the honour to be, &c.,

(Signed) H. BIRDWOOD,
Under Secretary to Government.

To the SECRETARY TO THE CHAMBER OF COMMERCE.

No. 76 OF 1866.

To H. BIRDWOOD, Esq.,
Under Secretary to Government, Judicial Department,
Bombay.

Bombay, Chamber of Commerce, 9th March 1866.

SIR,—I have the honour to acknowledge the receipt of your letter No. 721 of 1866, dated 24th ultimo, and in reply I am directed by the Committee of Management of the Chamber of Commerce respectfully to tender their thanks to His Excellency the Governor in Council for having forwarded a copy of my letter of 5th ultimo, on the Bill for providing summary procedure on Bills of Exchange, to the Honourable the Chief Justice of the High Court, in view to receive any explanation that can be given by the officers of the Court in reference to statements in the letter regarding alleged delays in the execution of the decrees of the Court.

I have the honour to be, &c.,

(Signed) JAMES TAYLOR,
Secretary.

APPENDIX B.

WINDING UP COMPANIES BILL.

No. 96 OF 1866.

JUDICIAL DEPARTMENT.

Bombay Castle, 10th January 1866.

SIR,—I am directed by the Honourable the Governor in Council to forward herewith copy of a letter from the Secretary to the Government of India, No. 5442, dated 30th ultimo, together with the copy of the Bill therein referred to, "for the incorporation, regulation, and winding up of Trading Companies and other Associations," and to request that you will be so good as to obtain and favour Government with, as early as possible, for submission to the Supreme Government, the opinion of the Chamber of Commerce on the provisions of the proposed enactment.

I have the honour to be, &c.,

(Signed) C. GONNE,
Secretary to Government.

To the SECRETARY TO THE BOMBAY CHAMBER OF COMMERCE.

No. 5442.

HOME DEPARTMENT.

From E. C. BAYLEY, Esq.,
Secretary to the Government of India.

To the SECRETARY TO GOVERNMENT,
Bombay.

Fort William, 30th December 1865.

SIR,—I am directed to forward a copy of a Bill which has been introduced into the Council of the Governor General, "for the incorporation, regulation, and winding up of Trading Companies and other Associations," and to request that, under the permission of the Governor in Council, the opinion of the Bombay Chamber of Commerce on the provisions of the proposed enactment may be obtained and submitted, as early as possible, for the information of the Governor General in Council.

I have the honour to be, &c.,

(Signed) E. C. BAYLEY,
Secretary to the Government of India.

No. 44 OF 1866.

To C. GONNE, Esq.,
Secretary to Government, Judicial Department,
Bombay.

Bombay, Chamber of Commerce, 19th February 1866.

SIR,—I am directed by the Committee of Management of the Chamber of Commerce to acknowledge the receipt of your letter No. 96 of 1866, dated 10th ultimo, handing

copy of a letter from the Government of India dated 30th December 1855, together with copy of a Bill "for the incorporation, regulation, and winding up of Trading Companies and other Associations," and requesting the opinion of the Chamber of Commerce thereon.

In reply I have the honour to inform you that at a General Meeting of the Members of the Chamber of Commerce, held on the 9th instant, for the purpose of discussing this and other proposed legislative measures now before the Legislative Council of the Government of India, it was unanimously resolved, on the motion of the Honourable A. J. Hunter, Chairman of the Chamber, seconded by Mr. H. Maxwell, of the firm of Messrs. W. Nicol & Co., Deputy Chairman—

"That the Chamber record its approval of the 'Indian Companies Act, 1866,' now before the Council of India, on the grounds that, by adopting the provisions of the English statute, and thus assimilating the laws of India to those of England, it promotes the interests of commerce; that the changes proposed by the Act are in themselves judicious; and, further, that by comprising within one Act a complete code for the formation, regulation, and winding up of Companies of every description, the laws are simplified, and rendered easily available for the information of the public.

"Resolved, further, that the Committee be requested to send a copy of this resolution to the Government of India, through the local Government."

I am accordingly directed by the Committee respectfully to request His Excellency the Governor in Council will do them the favour to transmit a copy of this resolution to the Government of India, as conveying the opinion of the Chamber on the bill in question.

I have the honour to be, &c.,

(Signed) JAMES TAYLOR,
Secretary.

P.S.—The Bill inclosed with your letter under acknowledgment is now herewith returned.

APPENDIX C.

PARTNERSHIP AMENDMENT BILL.

No. 372 of 1866.

Judicial Department.

Bombay Castle, 27th January 1866.

Sir,—I am directed to forward to you the accompanying copy of a letter from the Secretary to the Government of India No. 5182, dated 19th December 1865, with accompaniments, on the subject noted in the margin, and to request that you will be so good as to favour Government with the opinion of the Chamber of Commerce thereon at an early date, for submission to the Government of India.

Proposed Bill "to amend the Law of Partnership in India."

I have the honour to be, &c.,

(Signed) H. Birdwood,
Under Secretary to Government.

To the Secretary to the Chamber of Commerce.

No. 5182.

HOME DEPARTMENT.

From E. C. BAYLEY, Esq.,
Secretary to the Government of India,

To the SECRETARY to the GOVERNMENT of Bombay.

Dated Fort William, the 19th December 1865.

SIR,—I am directed to forward a copy of each of the papers noted in the margin, and to request that, under the permission of the Governor in Council, the opinion of the Bombay Chamber of Commerce on the provisions of the proposed enactment may be obtained and submitted at an early date, for the information of the Governor General in Council.

Proposed Bill "to amend the Law of Partnership in India."
Abstract of Proceedings of the Council of the Governor General for making Laws and Regulations on 1st December 1865.
Ditto ditto on 15th ditto.

I have the honour to be, &c.,

(Signed) E. C. BAYLEY,
Secretary to the Government of India.

No. 100 OF 1866.

To C. GONNE, Esq.
Secretary to Government, Judicial Department,
Bombay.

Bombay, Chamber of Commerce, 23rd March 1866.

SIR,—Referring to the Government letter No. 372 of 1866, dated 27th January, inclosing copy of a letter from the Government of India, together with a copy of the proposed Bill to amend the Law of Partnership in India, and requesting the opinion of the Chamber of Commerce thereon.

I have now the honour to inform you that the Bill in question was considered at a General Meeting of the Members of the Chamber held on the 9th ultimo, when a resolution which was brought forward approving of the Bill in general terms was negatived, and another requiring Members to give their opinions in writing to the Committee by a given date was carried instead.

Though the Committee of Management waited for these minutes much beyond the time specified in the resolution within which they were to be received, barely a third of the firms belonging to the Chamber have recorded their opinions on the Bill.

The minutes sent in it was deemed expedient to have printed, in order that they might be placed in the hands of members of the Legislative Council of India in as convenient a form as possible.

I have now the honour, accordingly to hand you thirty printed copies of these minutes, in order that His Excellency the Governor in Council may be enabled to transmit to the Government of India as many copies as he may think necessary.

The Committee much regret that, owing to unavoidable causes, they have not been in a position to lay these minutes before Government at an earlier date.

The printed opinions now forwarded differ considerably on the subject of the Bill; they do not amount in number to more than a third of the Members (as already mentioned), and the Committee are therefore not in a position to lay any substantive opinion of the Chamber on the subject before Government.

In these circumstances they do not consider it expedient to express any views in their capacity as the representatives of the Chamber, though as regards the majority, I am permitted to say, their opinions are in favour of the Bill.

There is one point, however, to which all the Members of the Chamber attach great importance, whether favourable or otherwise to the Bill as proposed by the Honourable Mr. Maine, and that is the registration of all partners in mercantile firms—a matter which does not appear to have been considered in the discussions on the Bill in the Legislative Council of India.

An expression of the opinions most approved on this point will be found at the close of the respective minutes of the Honourable Mr. Hunter, Chairman of the Chamber, and Mr. Andrew Grant, and I am directed respectfully to request that His Excellency the Governor in Council, when forwarding the minutes, would do the Committee the favour of directing the attention of the Government of India to this very important branch of the subject.

I have the honour to be, &c.,

JAMES TAYLOR,
Secretary.

THE PARTNERSHIP LAW AMENDMENT BILL.

MINUTE OF THE HONOURABLE A. J. HUNTER, OF MESSRS. W. & A. GRAHAM & CO.

I approve of the general principle of this Bill on the following grounds :—

1*st*. It will be an inducement to capitalists who are not personally engaged in trade to lend their money to mercantile firms, while otherwise it would be lying comparatively idle and unremunerative—thus tending to increase the wealth of the country and develope its resources.

2*nd*. It will be a boon to people of small means and to females, as it will afford them an opportunity of securing trade profits without the risk of partnership in the firms to which they lend their money.

3*rd*. By introducing the general principle of the English statute, it will give an opportunity to people in England of lending their money to firms which have branch establishments in India, without being, as partners under the Indian laws, responsible to the Indian creditors of the borrowing firm.

It has been urged against the measure in its present form that those who participate in trade profits ought to bear trade losses, not only by being deprived of a return for their money, but by being made responsible as partners to the creditors of the borrowing firm, to the full extent of the sum they have lent, in the same way as shareholders of joint stock companies registered under the Limited Liability Act get nothing from the assets of the Company till all the ordinary creditors have been paid in full. I think this is losing sight of the real principle of commanditarian loans, which I understand to be this:—The money is simply given as an ordinary loan, but, instead of bearing a fixed rate of interest, the lender and borrower arrange for a return proportionate to the actual advantage which has resulted from its use. I do not see any fundamental reason why such an arrangement should entail upon the lender responsibility for the borrower's debts. If the use of the money has been the source of profit, it appears fair that the lender, but for whose money the profit would not have been made, should get a *pro rata* share thereof, without any ulterior responsibility, more especially as in case of no profit being made he receives no return for his money, and the borrower does not require to pay interest for that which has been of no benefit to him.

I approve of the omission of Clause V. of the English Act, as I think that if introduced it would seriously interfere with the success of the measure, by preventing people from lending their money, knowing that in case of insolvency they would lose their whole investment. I think, however, that the omission of that clause will give an advantage to commanditarian lenders over ordinary creditors unless another provision be introduced into the Bill to prevent it. The former will in all probability stipulate for the right to inspect the books of the borrower, and will, on seeing the firm in danger of drifting into insolvency, have an opportunity of securing his own money, to the detriment of the other creditors, which is obviously unfair. It may be said that if the borrower is in difficulties it will be impossible for him to raise money to pay off loans if these are of any considerable amount; but this is not necessarily the case. It is customary in England, and also to some extent in India, for purchasers of goods not to pay for the same till one, two, or three months after their delivery; and a firm

then in difficulties might have sufficient credit to obtain goods in this way, and be dishonest enough to sell the same and use the proceeds for paying the commanditarian lender. This might even be done without any dishonest intention, but in the belief that the firm's losses could be retrieved, and all the creditors be paid in full.

To provide against this unfair advantage to the commanditarian lenders, I would suggest the introduction of a clause making it obligatory on them to give twelve months' notice before withdrawing their loans, and providing that in case of repayment without, or before expiry of, this notice, the money so repaid should be refunded, for the benefit of the estate generally, in event of the firm's bankruptcy before the time at which the notice would have expired.

I admit that there are difficulties in the way of carrying out such a provision, as for instance in case the lender and borrower should connive to defraud the other creditors, either by antedating the notice, or by leaving a standing notice and renewing the same from time to time with the view of availing of it in case of apprehended danger. It is possible that these difficulties might to some extent be got over by having a secret registry office, where all notices could be registered when issued; but it is for the Council, and not the Chamber, to devise the means by which such difficulties can best be met.

In my opinion an important improvement on the Bill would be effected if it contained a provision requiring all firms to register the names of their partners yearly, and in case of any change throughout the year to give notice of the same to the Registrar. I think this will be a necessity, in justice to the public, in the case of firms which have received commanditarian loans, as otherwise they may seem to be possessed of capital which is not their own, and the lenders may be supposed to be responsible partners, thus tending to mislead the public. I would, however, go further than this, and make it imperative on all firms to register the names of their partners. This would be a great boon to honest merchants and to bankers, as it is common for Native firms to conceal the names of their partners, and then in case of insolvency to affirm that men who had always been supposed to be partners were not so. Cases of this kind have come under my own notice, in which men who

regularly bought and sold for the firm, signed its name, and were supposed to be members of the firm, afterwards on its insolvency denied that they were partners. In such circumstances it is almost impossible to prove their statements untrue, and they thus get rid of their liability, thereby defrauding the creditors. Such fraud would be prevented by the system of registering which I have suggested.

A. J. HUNTER,
Partner W. & A Graham & Co.,
and Chairman, Chamber of Commerce.

Bombay, February 1866.

MINUTE OF MR. HAMILTON MAXWELL, OF MESSRS. W. NICOL & CO.

I believe the effect of the Bill will be to stimulate enterprise, and, by affording protection to the capitalist sufficient to induce him to invest his money in mercantile pursuits, will have a beneficial effect on all branches of trade.

Objection may be taken to the commanditarian lender, in anticipation of the insolvency of the borrower, having it in his power, from his intimate acquaintance with the business, to withdraw his money, to the disadvantage of the other creditors. This could only be done with the consent of the borrower, and any such preference would be fraudulent, and punishable under the bankruptcy and criminal laws of the country.

The public registration of partners in firms and commanditarian lenders might be advantageous, but I consider it unnecessary. Traders will continue to take the usual precaution of ascertaining the respectability and credit of any firm with which they are brought into business relations.

I quite approve of the Bill as it now stands, and shall gladly see a measure which I consider will act advantageously for the general welfare pass into law.

HAMILTON MAXWELL,
Partner W. Nicol & Co.,
and Deputy Chairman, Chamber of Commerce.

Bombay, February 1866.

Minute of Mr. R. L. Tracey, of Messrs. Ritchie, Steuart, & Co.

I beg to express my approval of Mr. Maine's Bill, and am of opinion that should it become law it will have great effect in promoting the extension of commerce.

The addition of a clause corresponding with the 5th section of the English Statute would render the Act only a half-measure, and so limit its operation that it would be productive of little or no good. The most serious objection raised against the omission of such a clause is that it would give the commanditarian lender an unfair advantage over other creditors. Commanditarian loans would in nearly all cases, I presume, be made for fixed periods, corresponding to the usual term of private partnerships, as it is very improbable that any good firm would accept such loans subject to short notice of withdrawal. The repayment of such loan, therefore, would be like any ordinary liability for which a firm would have to regulate its operations so as to make due provision, and its withdrawal by the commanditarian lender at the expiration of the term for which it was made would not, so far as I can see, involve any injustice to other creditors.

R. L. Tracey,
Partner Ritchie, Steuart, & Co.

Bombay, February 1866.

Minute of Mr. W. Christian, of Messrs. Peèl, Cassels, & Co.

The promoters of this Bill are desirous of relaxing the law, as it now stands, to the extent of allowing the advance of money to a firm, the interest to be paid by a share in the profits, without thereby constituting the lender a partner in that firm.

I am strongly of opinion that all restrictions which can safely be removed from trade should be dispensed with,

and therefore I should be disposed to support a Bill the promoters of which desire to give additional freedom to commercial transactions.

It seems unjust that because a man lends money on the condition that he shall be repaid by a share of the profits in the undertaking, instead of by a fixed rate of interest, he should be placed in a worse position than that of the ordinary creditor. Unfortunately, however, it is not always expedient to base legislative measures upon theory, and it is therefore necessary to examine whether it may reasonably be expected that the practical results of such a Bill will be beneficial or otherwise; and I cannot but perceive that if it is passed in its present form it may be attended with great dangers to the commercial community.

The 5th section of the English Bill provides that in the event of a bankruptcy the commanditaire lender shall not rank as an ordinary creditor, but shall only be paid when all the other debts shall have been discharged in full. I regret that Mr. Maine has thought fit to omit this clause in drawing up his Bill, for I think that it is the only safeguard against many abuses which are likely to creep in. The success of the Limited Liability Act has often been advanced as an illustration of the probable success of the present scheme. Without at all acknowledging that this Act has been the cause of unmixed benefit to trade, I must point out that the illustration does not apply, for in the case of a limited liability company the shareholders are only entitled to a dividend after all the other creditors are paid in full. The commanditaire lender, by advancing the capital, enables the apparent trader to obtain credit. Moreover, he participates in the profits of the firm during the period of its prosperity, and it seem only reasonable that he should be made to bear a greater portion of the losses than the ordinary creditor. In arguing against this view of the question, Mr. Maine says that a firm only seeks assistance at a time when it is in difficulties. This assertion of itself shows that Mr. Maine is not intimately acquainted with commercial practice. Any mercantile man could have told him that many a firm doing a most healthy and prosperous business has applied for assistance in extending that business, and has been able to obtain it on most reasonable terms, because the lenders were aware of the cause which made the borrower apply for a loan.

In legislating for a country like India, which is only just emerging from a state of semi-civilisation, it is necessary to move with great caution, and not to proceed hastily. Laws which may be quite free from danger and even beneficial in civilised communities may be pregnant with evils in this country, and, instead of removing restrictions which have been thought necessary in England, we ought, if anything, to make the law more stringent here. It would be prudent, for instance, to enact that commanditaire firms should be registered, and that they should be advertised in the newspapers, with a statement of the amounts advanced by the commanditaire lenders. Moreover, in the event of the lender wishing to withdraw the loan from the firm, he should be compelled to give twelve months' notice both to the firm and to the public. With these restrictions I think the Bill would be harmless.

Much has been said, both in England and here, against the registration system, and it has been taxed with being inquisitional; but surely if a firm is disposed to act honourably to the public it cannot object to the truth being known. I firmly believe that a system of this kind, and the publicity which I have suggested, will do more good than harm to these firms. Commercial men will know whom to trust, and how far, and we shall not see that feeling of uncertainty and suspicion which I believe will be established should the Bill pass without any safeguard of this kind.

I earnestly hope that this Bill will not be allowed to pass until it has been thoroughly discussed, for it affects every part of the commercial system of this country, and might prove to be the cause of incalculable evil.

W. CHRISTIAN,
Partner Peel, Cassels, & Co.

Bombay, February 1866.

MINUTE OF MR. JAMES BOGIE, OF MESSRS. WALLACE & CO.

The system of partnership *en commandite*, notwithstanding that it is, as I think, accompanied by many difficulties and dangers, may be suited to the state of France, as the French are not predisposed to commercial pursuits (being

essentially a warlike people), and having regard to the many revolutions their country has undergone, timid in mercantile ventures; but the principle of encouraging any particular interest, though perhaps in some cases justifiable, should, in my opinion, be adopted only when there are pressing reasons for its adoption, and such do not seem to me to exist in British India. It can be said neither of the English, nor of the Banians and other commercial classes of natives, that they are timid in mercantile ventures, or that their trade is in any pressing need of encouragement. But even in France the authorities, though sanctioning the principle of these partnerships, have not done so without hedging round the practice with numerous and minute safeguards; whereas the present Bill, while authorising the principle, takes no thought of the inconveniences which will spring from it.

2. The recent adoption of the principle of commandite partnerships in England has been advanced by the supporters of the Bill as an argument in its favour; but the English law (though allowing the liability of partners to be in some cases limited) is a very different thing from the conversion of a partner into a creditor, of capital into debt, as proposed by Mr. Maine. Nor am I prepared to say that, even were the Bill in every way similar to the English Act, India is as yet prepared for its adoption. Of all countries in the world this is probably the one in which all kinds of chicanery are most prevalent, and the disclosures during the late crisis have convinced me that no additional plan can be wanted to assist debtors in shifting their liability on to impoverished scapegoats.

3. The existence of a commandite system in New England has been thought by some an argument in support of the Bill; but, without denying that its effects there may have been satisfactory, it must be remembered that the practice is limited on all sides by regulations which prescribe thorough publicity and a considerable amount of liability.

4. As for the prevalence of some such custom among the natives of this country, on which great stress has been laid, it is only necessary to refer to the debate in the Legislative Council to learn that little is yet known of their business, or of the various principles on which it is conducted. It is true that in the "Hedaya" mention is made of a system of copartnership called "Mozaribat," which seems to have

limited, according to certain minute laws, the liability of a manager paid by a share of the profits; but this system, even if it still prevails among the Mohammedans, is very different from the root-and-branch measure proposed by Maine.

5. Among the Hindoos, after all my researches, I have failed to find any law at all resembling that of Mr. Maine, and can discover no trace of the idea of limited liability in partnership among the Hindoos on this side of India. The Moonim system, which is thought by some to partake of this character, has received my most careful attention, and I find that the custom is general to place to the debit of the Moonim's account his proportion of loss, which is balanced, should he obtain any means (say by a successful year), afterwards. The Moonim is in fact a junior partner, with a share in one only of the various houses in which his senior is interested.

6. It is no doubt advisable that the European merchants of India should be guided by English law, but this would not be the effect of the Bill, which goes much further than the English Act; and before the Indian legislature adopts measures untried at home, would it not be well to introduce those commercial reforms which *have been* tried in England and have been found to succeed?

7. The legal argument as to the existing law of partnership, having arisen from a state of things which has passed away, seems to be purely irrelevant. Many fixed principles of English law had their origin in reasons which have long since disappeared, and the real question is, is the law (never mind how it arose) just or unjust?

8. The argument that the abolition of the rule of the unlimited liability of partners would give additional stability to mercantile firms seems to me false. How can a law which will encourage, as Mr. Maine appears to hope, the withdrawal of capital followed by the advance of an amount about equal on loan by partners in European firms on their return to England, give real stability to those firms? Had they retired under the existing law, they might, as under the proposed Act, have withdrawn the whole of their capital, and if their firm had required an advance for working the business they might have lent it money at a percentage; as this, however, is not a mode of remuneration

likely to find so much favour with mercantile men as that by a share in the business, they would more probably have left a portion of their wealth in the house, thus continuing to support it by their unlimited liability. Any encouragement to the monied partners to retire can only have the effect of weakening mercantile houses, and this is thoroughly appreciated by Mr. Maine, who thinks the fear of liability has caused many subtractions of capital; but he (apparently labouring under the mistaken impression that a reclaimable loan is capital) does not seem to see that the withdrawal of capital will be one of the first and most important results of his Bill. Mr. Maine says that "the process" (of withdrawals of capital on retirement of partners, as at present prevailing in European houses) "is insensible, the public knows nothing about it, and hence the credit and operations of the firm may remain the same as before." Is this so? I was of opinion that until a partner was publicly advertised to have left the firm his liability continued unlimited, and that if such retirement has been duly advertised, the Banks and all interested can and do regulate the credit they give the firm by the standing and capital of the remaining partners. But suppose that Mr. Maine were right, and that the "tendency is to withdraw capital without diminishing credit," I cannot agree that this "is the most unwholesome state of things that can possibly exist in trade;" one thing at least must be worse, viz., to withdraw capital and to increase credit, yet this and nothing else is the kernel of Mr. Maine's proposition. And upon this point I observe Mr. Maine says that those great failures, which, according to him, arose from the want of "partnership *en commandite*," are now no longer possible, although commandite partnership is not yet the law of the land! After all, this argument of the stability of mercantile houses applies only to the European firms in the Presidency towns, which form a very small part of the Indian mercantile community.

9. Again, Mr. Maine says that the Bill will promote those beneficial arrangements between employer and employed which are based on a community of profit. But if beneficial on a community of profit, why exclude the principle of a community of loss? why divide the benefit and not the burden? why offer to people already sufficiently disposed to speculation a premium on enterprise without

adding the counterpoise of possibility of loss? It may be said that servants and agents, so long as they act as such, are mere machines; but is it easy, especially in Native firms, to draw the line where the principal and master end, and the servant and agent begin? If the agent or servant gain, but cannot lose, will not the principal or master (especially considering the loose way in which natives transact business) find himself embarked in many a perilous enterprise that he never bargained for? Moreover, I do not see any indispensable necessity for the passing of this 2nd clause; what employé would, for fear of the risk, refuse the benefit of a share in the profits even of a branch of his master's business? Nevertheless, it is not against this clause that I principally take objection.

10. The fourth reason which Mr. Maine gives for the Bill is that such loans will afford for the non-commercial classes investments of a less fluctuating character than shares in joint stock companies. Surely this is an error; the passing of the Act will, I conceive, be shortly followed by the establishment of numerous unregistered joint stock companies, irresponsibly managed, with perfect freedom from liability to the shareholders, without published or audited accounts; shares in such companies will, I believe, fluctuate, as the shares in the somewhat similar companies in France, more rapidly and to a greater extent than any other shares.

11. In my 1st, 2nd, and 3rd paragraphs I have shown, I think conclusively, that the existence of a principle somewhat akin to that of this Bill in France, England, and the United States is no just reason why a similar law should be extended to India, much less why a scheme like the present, designed apparently without a thorough practical knowledge either of mercantile affairs or the habits of the people, should be made applicable to all traders, Native as well as European, throughout the length and breadth of this enormous peninsula. In my 4th and 5th paras. I have entered upon the Honourable Mr. Maine's last reason as given in his statement of objects. In the following paras. I have gone *seriatim* through the four other reasons he has given, and now, in conclusion, I have only to urge the Chamber of Commerce to use such influence as it may possess with Government to get the Bill postponed *until* Clause 5 of the English Act is added to it, as well as clauses providing

for registering and publishing commandite partnerships, preventing the interference of commandite lenders (partners) with the affairs of the firm, prohibiting the sudden withdrawal of commandite loans, and such other points as a careful study of the French, American, and English laws on the matter may show to be advisable; above all, I must beg it to press on Government the importance of time for further consideration, for I feel sure that the results of the Bill, should it pass unaltered, will be very different to those pictured by the honourable mover.

JAMES BOGIE,
Partner Wallace & Co.

P.S.—My remarks have already reached a great length, and time will not permit me to take up other points which I would willingly touch upon. Doubtless the agents of the various banks will have illustrated the effect that such a law as that proposed would have on the credit and general financial position of the port. Other Members of the Chamber of Commerce will no doubt have dwelt upon the dangerous extent to which the proposed Bill would push forward men of straw as the only nominal partners in various concerns. The practically complete abrogation of the Limited Liability Acts should this Bill, as it now stands, become law, will, I hope, have engaged the notice of others.

J. B.

MINUTE OF MR. C. E. BENN, OF MESSRS. CARDWELL, PARSONS, & Co.

I approve of Mr. Maine's Bill to amend the law of partnership in India, and also of the omission of Section No. 5 of the English statute. I consider the Bill admirably adapted to promote commercial prosperity, and under its operation and influence I look for a gradually increasing distribution of the hoarded wealth of the country. If any provision could be made to guard against the commanditarian lender withdrawing his money, to the detriment of other creditors, it would, I think, tend to impart greater confidence among the non-commercial classes, and help to further

the objects which the Bill has in view; perhaps the readiest as well as most honest method of arriving at this would be to cause a register of all commanditarian loans to be kept, and make it incumbent on the lender to lodge with the Registrar a notice of not less than six months previous to the withdrawal of any such loan.

C. E. BENN,
Partner Cardwell, Parsons, & Co.

Bombay, February 1866.

MINUTE OF MR. J. SANDS, OF MESSRS. FRAMJEE; SANDS, & Co.

The introduction of this Bill as it at present exists in England appears to me in very many respects desirable and expedient. It assimilates the law of the two countries, which, especially as regards commercial law, is in itself a great advantage. It supplies a want and remedies a defect which has long been felt in the commercial world, by enabling those who, although not themselves in business, may yet be willing and desirous to devote a portion of their means to the pursuits of trade and commerce, either for the sake of the profits likely to arise, or with a view to assisting others who themselves, without sufficient means, have yet such business experience as would induce the commanditarian lender or partner to trust them, provided he could do so without risking more than he knowingly and willingly chose to invest in the business. The uncertain nature of the risks attendant upon unlimited liability have always prevented a large amount of capital finding its way into business channels, which might otherwise have done so, and which under the Act, as it exists in England, may now become available.

At the same time, while admitting these advantages as likely to arise from the introduction of such an Act into India, I cannot but fear the principle being very liable to abuse unless carefully guarded, the tendency of such an Act being to sacrifice the interests of the general creditor to those of the commanditarian partner, who from year to year may withdraw large profits from the firm, and yet when a bad year comes, and the firm, owing to large trading, is unable to meet its liabilities, the commanditarian partner,

who may all along have been drawing the lion's share of the profits, becomes only liable to the creditors for the perhaps comparatively small amount which he may have put into the firm as his fixed investment.

Under the working of the Bill as now proposed by Mr. Maine, omitting the 5th section of the English Act, this evil, for such it appears to me, becomes much greater, for not only would the commanditarian partner draw the profits of the firm throughout the good years, but, after doing so, would, in the event of insolvency, rank among the creditors of that firm for the amount of his fixed capital.

Mr. Maine contends that the commanditarian partner is only a lender; but does he not subscribe his share to the capital of the firm, and draw his share of the profits, thus becoming to all intents a partner in the firm?

The fact of his liability being limited to the amount he invests, as also his being exempted from the losses of the firm so long as these can be defrayed by his remaining partner, does not render him the less a partner, although it renders him a very privileged one; nor does it, so far as I can see, afford any just reason why in the event of insolvency he should take his place as a creditor of the firm, and thus reduce that capital which, whether subscribed by him or by the other partners of the firm, had been so subscribed for the purpose of enabling the business to be worked, and with a view to sharing in its profits. Why then should the commanditarian partner have a privilege not enjoyed by the other partners of the firm, the more so as by the exercise of this privilege it is the creditors, and not the remaining partners of the firm, who suffer? Looked at from the point of view of the commanditarian partner Mr. Maine's Bill is certainly a most desirable one; but I would submit that as business, as worked in the present day, is so largely on the system of credit, the rights of the creditors ought to have the first consideration. Mr. Maine has spoken as if the only creditors of a firm were those from whom it borrowed money in the shape of a loan; but with nearly all mercantile failures do not the great bulk of the liabilities consist of bills drawn in the regular course of business? Mr. Maine appears to have overlooked that every bill drawn by a firm is an application of the principle of credit, and that business almost invariably is conducted more or less on

a system of credit, so that a firm's becoming a borrower by selling a bill of exchange to a bank in the ordinary course of business is certainly not a sign of "*embarrassment and difficulty*," as Mr. Maine argues in the case.

If the Bill be adopted for India, I think it should certainly be with the 5th clause as in the English Act; but seeing the Act has been so recently introduced into England, might there not be advantages in delaying its introduction here until its working in England has been better seen and tried? The principle involved in the omission of the 5th section appears to me very much as if the shareholders in a joint stock company limited were permitted in the event of insolvency to rank as creditors upon the company.

Presuming the commanditarian partner to be the only partner who has subscribed the capital, the cases would be very similar, and such might easily occur,—and such a principle in the case of a joint stock company limited must, I think, be admitted by all to be radically wrong. Wherein does the great distinction consist?

With chartered limited companies the shareholders are liable for double the amount of their capital, and when the principle of limited liability is applied to private trading, where the risks are likely to be so much greater, both in their nature and in their extent, as compared with the capital worked upon, should not the commanditarian partner be held liable for at least double the amount of capital he has chosen to subscribe? Without some such provision the hardship to the creditors of a commanditarian firm may at times become very great, while the whole tendency of the Bill is to render the position of the commanditarian partner one of peculiar advantage, giving him the advantages of the high profits of trade, while to a great extent it exempts him from the consequences of its sudden reverses and unavoidable risks, leaving the consequences of these to fall upon the unfortunate creditors, although the commanditarian partner may himself be possessed of ample means, and may even have derived these very means in a great measure from the profits of the previous years of the commanditarian firm. The chief safeguard against the disadvantages which may thus arise should such an Act be passed appear to me to lie in the registration both of the names of the commanditarian partners, and of the amount of their subscription to the firm's capital being *rendered*

compulsory, as with joint stock companies under the Limited Liability Act. Only by an efficient system of registration does it appear to me that creditors can obtain that safeguard against abuse and injustice which may otherwise arise under the principle of limited liability as applied to private trading partnership.

JOHN SANDS,
Partner Framjee, Sands, & Co.

Bombay, February 1866.

MINUTE OF MR. ANDREW GRANT, OF MESSRS. CAMPBELL, MITCHELL, & CO.

I approve generally of the principle of the proposed Bill to amend the law of partnership in India, introduced by Mr. Maine, and feel convinced that if passed it will tend to the development of commercial and industrial enterprise, and the increase of public wealth; it will probably be the means of drawing out and utilising much capital that would otherwise be allowed to lie idle and unfruitful, and of keeping in the country much capital that would otherwise be withdrawn.

The dangers that are feared by the opponents of the Bill do not appear to me to be serious, and certainly do not nearly counterbalance the advantages to be anticipated. The principal objection urged against the measure is that a firm, if it were dishonestly inclined, might, in case of approaching difficulties, give timely warning to a commanditarian lender, and thus afford him an opportunity of withdrawing his loan in time and without loss, to the detriment of the other creditors. Now it is desirable to prevent any such unfair dealing if possible, and I think this might to a great extent be done by providing that all commanditarian loans should be for a specific period, say for not less than one year, and should be terminable at a certain date to be specified in the agreement. It may be said that such a stipulation would place a commanditarian lender in a worse position than an ordinary creditor, for it would bind him to keep his money in a concern for a certain time even if he knew in the interval that the state of the concern

was unsound and daily getting worse. This is true, but I do not think that such possible disadvantage is too great a price to pay for the advantage of limited liability accompanied by large interest on capital, which the Act proposes to confer on commanditarian lenders. It has been proposed that a system of registration of loans should be adopted as a check on undue preference being given to a lender under the Act; but a registry to be useful must be accessible, and mercantile men shrink from such publicity with regard to their financial affairs. Again, it has been urged, and in influential quarters, that as a protection to creditors, and in order to harmonise Indian with English law, Section V. of the English Statute should be introduced into the Indian Act. To do this would in my opinion defeat the object of the Bill, and take away all inducements to capitalists to give the use of their money under its provisions. The only advantage left would be that of limited liability, and the Act would be shorn of half its merits. Were commanditarian loans to be repayable on demand, I can suppose that cases might occur where undue preference was given to such lenders; but when the loan is repayable after a stated period, and in case of accident to the solvency of the firm in the interim, before the arrival of such period, when it would only rank on the estate *pari passu* with other claims, I do not see that much risk is run. Fraud may still be committed, it is true, but neither the present law of partnership, nor any other that could be framed, can afford perfect security against dishonesty.

There is one point which may be alluded to in reference to the Act, which is the necessity of a perfect understanding that in loans and remuneration for loans such as the Act provides for, the lender must have no active connection with the firm as a partner, and must not exercise any influence, direct or indirect, over its operations, nor any control over the acts of the ostensible partners. I think a section might with advantage be added to the Act to the effect that the exemption from liability conferred by the Act is not in any way applicable to cases where any such interference is exercised.

As a further check against lenders enjoying immunity from the risks of unlimited liability, while they at the same time exercise the rights of interference in the business of the firm, I would suggest that all firms should be obliged

to register the names of their responsible and ostensible partners once a year, with their ages and residences, and that any changes in the firm should also be notified. While such a system of registration would be a valuable aid in the working of the proposed Bill, it would indirectly provide for a want which I am sure all mercantile men in India will agree prevails at present, viz., the means of finding out the position of Native firms as regards the liability of the partners. There is no custom among them of advertising such changes as occur in their firms, and the question as to who are and who are not partners at a particular time is a difficult one to get at the truth of. Such a register as I have suggested, while it would divulge nothing beyond what every one dealing with a company of partners has a right to know, would afford an easy means of reference to creditors and others interested, and would prove a most valuable source of information for banks and public companies engaged in financial operations. The reports of our law courts are constantly revealing cases where the partner in whose name the firm is carried on is a mere infant, and the experience of our merchants confirms the law reports. Although it is true that there are other means of proving constructive partnership besides the fact of the appearance of a partner's name in the firm, still such proof may be both tedious and expensive, and the benefit of having a register to refer to at any time would be very much appreciated by those in trade.

ANDREW GRANT,
Partner Campbell, Mitchell, & Co.

Bombay, February 1866.

MINUTE OF MR. WM. JOYNSON, OF MESSRS. MARTIN, YOUNG, & CO.

It appears to me the Bill introduced by the Honourable Mr. Maine is more calculated to vitiate than to amend the partnership laws, inasmuch as it would serve to place real partners in the position of simple lenders. The establishment of commandites I consider most desirable, but I

deprecate any measure interfering with the integrity of the state of partnership (be it limited or unlimited).

I trust the English Act may be adopted in its entirety.

WM. JOYNSON,
Partner Martin, Young, & Co.

Bombay, February 1866.

MINUTE OF MR. E. PENNELL, OF MESSRS. LAWRENCE & CO.

I concur in the resolution proposed by the Honourable Mr. Hunter, and seconded by Mr. A. D. Grant, at the meeting of the Chamber on the 11th instant, as follows:—

"That the Chamber approve of the general principle of the Indian Partnership Amendment Bill, but recommend the introduction of a clause to prevent a commanditarian lender from withdrawing his money to the disadvantage of other creditors."

EDWIN PENNELL,
Partner Lawrence & Co.

Bombay, February 1866.

MINUTE OF MR. L. H. BOULT, OF MESSRS. ROBINSON & CO.

I cordially approve of the Bill, it being in my opinion a measure certain to advance the interests of commerce in all its branches, and a measure the want of which has long been felt. It seems to me that two prominent advantages of the Bill are briefly as follows: 1*stly*—It will encourage capitalists to promote commercial enterprise, by enabling them to risk a portion of their wealth in business without their being liable for their whole capital; 2*ndly*—It will permit of a partner retiring from a firm without injuring its credit by withdrawing the whole of his money, so often the case under the present law, as he could leave a portion of his capital still in the firm without endangering his entire estate. I also believe the Bill will work well in all other respects, and I quite agree with the Honourable Mr. Maine

in leaving out Section 5 of the English Statute as being totally at variance with and against the spirit of the Bill.

I think the Honourable Mr. Maine is entitled to the best thanks of the commercial community of India for having brought forward so able and useful a Bill.

L. H. BOULT,
Partner Robinson & Co.

Bombay, February 1866.

MINUTE OF MR. C. GADDUM, OF MESSRS. GADDUM & Co.

Although I concur with the Honourable Mr. Maine in his remarks on the desirableness of introducing the Partnership Law Amendment Bill into the Indian code of laws, I dissent strongly from his avowed opinion that the Bill should be diverted from its original object, the application of the limited liability principle to private firms, and that it should be converted into a law to regulate loans. In fact I cannot see the necessity of any amendment whatsoever being passed if it is simply a measure destined to enable capitalists to lend their money on the terms of a share in profits realised, instead of as heretofore at a fixed rate of interest; for I imagine that the yearly income the capitalist would derive from his money at a fixed rate of interest might without great difficulty be made to tally closely with the average yearly income he would receive if he became a commanditarian lender according to the Honourable Mr. Maine's idea with a share in profits. If a commandite is to reduce itself to a loan, I am of opinion that it will suit both the borrower and the lender better to stipulate for a fixed rate of interest than to have the same varying from year to year, and I do not therefore see the object of altering or amending the partnership law if the Honourable Mr. Maine's views are to prevail.

The chief objects of the commandite laws in parts of the continent of Europe, where they have been in force and largely applied for a number of years past, are the following:—

1. The union of the activity and labour of the unmonied man with the capital of the man of wealth.

2. The procurement of means of retirement from business to men who have no longer a wish to remain actively engaged in commerce, or to jeopardise their entire savings therein, but who desire to retain some share in the future profits of the undertaking founded and prospering through their agency, and who besides wish to afford to the uncapitaled men who propose to carry on the business the means of doing so.

Now it appears to me that neither of these ends would be satisfactorily and completely attained by the adoption of the Honourable Mr. Maine's views.

In the countries where the commandite law exists, a young man of business without capital can hope to push his way on in commerce by dint of his own exertions applied to capital provided by some wealthy relative or friend. This occurs so frequently that companies have actually in some of those countries been formed avowedly with the object of providing capital in such cases, and the fact that these companies and their commandite firms both deserve and command respect and credit, and have in many instances risen to considerable standing and prosperity, appears to me to speak in favour of the continental system of commandite.

The Honourable Mr. Maine's proposed law of loans would not allow of this union of labour and capital. The man who establishes himself *en commandite* does not generally possess any capital of his own, or he would not avail himself of the always somewhat onerous conditions of the commandite: and what he wants is not a loan, but a trading capital that shall entitle him to ask for and obtain credit, a capital that will give him a foundation to build his business upon, and that he can fall back upon in case he suffers losses. It is obvious that if this capital is merely furnished on loan, the firm possessing it will virtually become insolvent if in the very outset of its existence it should meet with losses; and a house of business constituted on these principles could, in my opinion, never take any standing in the mercantile world, and would certainly command no credit, for it would be quite apparent that the solvability of the firm depended entirely on all or the majority of its transactions proving profitable.

But the Honourable Mr. Maine seems to leave this point quite out of view, and his chief object in the introduction of the Bill appears to be that of assisting partners retiring from

a concern in securing a good rate of interest for their money without jeopardising their fortune. I for my part cannot see what advantage could accrue to a firm from retaining a portion of the savings of a retiring partner in the shape of a loan; it would not be available capital, as it might at any time be withdrawn; it would certainly give the firm neither greater real stability, nor secure for it better credit: for the public would know, or ought to know, that the money lent to the firm by the retiring partner would not figure among available assets in the event of the firm's insolvency, and that it was in point of fact a liability the firm had incurred. I should rather feel inclined to think that the very fact of a firm being known to have accepted of a loan at what must probably, taking the average of several years, be a usurious rate of interest, would lead the public to infer that the firm was obliged, owing to its unsound position, to borrow on disadvantageous terms, and that this natural inference would injure a concern's credit. It would be very different if a retiring partner were known to remain partner *en commandite* in the firm for a certain amount, and that in addition to the capital of the other partners this amount would also be available to the creditors in case of the firm's insolvency.

I should imagine that partners retiring from firms will generally place sufficient confidence in the ability of the man continuing the business, and in the sound prosperity of the concern they retire from, to render them willing to remain sleeping and responsible partners therein for a certain portion of their savings.

I am, then, of opinion that the omission of Clause V. of the English Act would be a grave mistake, that this omission would nullify many of the greatest advantages presented by the commandite system, and that it would as a rule render business more insecure, instead of adding to its general stability.

I think the working of the commandite laws on the continent of Europe, and the number of commandite firms France and Switzerland have given birth to, sufficiently disprove the objection that capitalists will be unwilling to avail themselves of the advantages conferred on them by the commandite laws unless they are protected by the omission of Clause V.

I do not think that it is generally found that women and

non-mercantile classes invest their money by giving it *en commandite*, nor do I think it desirable that they should do so; the majority of the commandite firms I am acquainted with spring from wealthy retired merchants, from firms whose capital has outgrown their business, and from companies formed expressly with a view to establishing commandite firms in different parts of the world.

And I am of opinion that the injustice inflicted on the public by permitting a commanditarian partner to take an active part in the management of the business he commandites would be infinitely greater than the injustice that might at times bear heavily on non-mercantile classes, because they happened to have, at some time or other, interfered by word or deed in the business possessing their commandite.

To the best of my belief, the continental laws do not prohibit an inspection of the firm's books by the commanditaire, nor do they prevent a periodical statement of the transactions the firm is engaged in from being submitted to him; but any interference in the active management of the business imperils the privileges enjoyed by the commanditaire.

The opportunities for fraud that would arise were a commanditaire allowed to take an active part in the management of his commandite firm are too obvious to require more than a casual notice. A firm might actually become commandite by its working partners (particularly if law did not make it obligatory on them to declare the amount of their commandite), and on the firm becoming insolvent the whole of the available assets would be found to consist of a commandite of small amount, whilst the partners would retain all the property they possessed exclusive of the amount of their commandite.

I think it very desirable that the sum of money given in commandite to a firm at the time of its establishment should be made public by circular and advertisement. If this be not done, a firm may easily obtain undeserved credit owing to a wealthy man's name appearing as commanditaire, whilst *de facto* this man is responsible only to a very small extent for his commandite firm's liabilities. I do not agree with the Honourable Mr. Maine that a firm would be likely to fall into disrepute owing to the amount of its commandite being made public; I think, on the contrary, that if the

amount is published, it will prevent the establishment of many uncapitaled firms, and generally tend to the apportionment of credit where it is deserved, and to the withholding of it in undeserving cases.

I would suggest that the dissolution of partnership in commandite firms be subject to the laws regulating ordinary dissolution of partnership, that it be publicly advertised, and that the commanditarian partner be responsible to the full extent of his commandite for the firm's position at the time of his withdrawal from it.

CHARLES GADDUM,
Partner Gaddum & Co.

Bombay, February 1866.

MINUTE OF MR. A. T. RALLI, OF MESSRS. RALLI BROTHERS.

In reference to the principle of this Bill any opinion is superfluous, as it is abundantly proved how beneficially it has worked all over Europe and England by the development and extension of trade.

But I must confess I cannot understand the distinction made between a "commanditarian partner" and a "commanditarian lender." The word *commandite* is taken from the Italian and French, and the meaning of it, as understood all over the Continent, is a partnership with limited liability: that is to say, the partner who brings to the concern his money alone, without including his name in the firm, or being obliged to work mentally and bodily, is not responsible except to the extent of the capital he had invested in the concern. By adopting, therefore, in this Bill the word "commanditarian lender," literally explained in any other language it has no meaning, whilst, as the profession of a money-lender is quite distinct from what it is professed to alter by *Preamble* 1 of this Bill, I think that the original meaning of the word *commandite* ought to be retained, and that cannot be conveyed better in the English language than by "commanditarian partner," which is in fact a partnership of limited liability.

A commanditarian partner, therefore, is responsible towards the public to the extent of the capital he has contributed to the firm, and in case of dissolution of part-

nership, suspension, or bankruptcy, all the servants and creditors of the firm are paid first in Italy and France, before the commanditarian partner can touch a farthing of his moneys.

I think this limitation and guarantee to the public absolutely necessary, and particularly in India for various reasons obvious to every one, and I consider this proposed alteration of the partnership law in India would be very beneficial to trade if adopted by the Supreme Council, provided such protection is given to the creditors over the commanditarian partners, and I would also suggest that all agreements of limited partnerships should be registered at some public office before they are acted upon.

A. T. Ralli;
Partner Ralli Brothers.

Bombay, February 1866.

Minute of Mr. J. Macnee, of Messrs. Macnee, Thomson, & Co.

I cordially approve of the Bill to amend the law of partnership in India as proposed by the Honourable Mr. Maine, and I do not consider that the objections urged against the measure are of sufficient weight to warrant the introduction of any additional clauses. If Section 5 of the English Statute be added, the Bill will to a great extent be inoperative, as very few capitalists will care to come forward as "commanditarian lenders" upon such terms; whereas if the Bill as it stands becomes law, it will undoubtedly be a great boon, not only to mercantile firms, but to that large class of persons which it is especially intended to benefit.

J. Macnee,
Partner Macnee, Thomson, & Co.

Bombay, February 1866.

Minute of Mr. J. E. Grimm, of Messrs. Stoehr, Prieger, & Co.

The object of the Bill appears to be to extend to private firms the benefit of a limited liability, at present confined to

joint stock undertakings, and we cannot see why the restrictions imposed upon the latter should not be imposed upon the former. The "commanditarian" partner or partners (to use a well-known definition) ought to be exactly in the position of shareholders of a limited company, that is, liable to the extent of the capital paid in or promised, just as they to the extent of their shares. This is not only the law in England, but also in France and Switzerland; the French law further requires that the amount for which the commanditarian partner is liable be registered and *published*, and enacts that a commanditarian becomes liable for his *whole* fortune as soon as he assumes or controls in any way the management of the concern. If these provisions have been thought necessary in Europe, we consider them much more so in India, where the sense of commercial honour and integrity is as yet but little developed amongst the natives.

Mr. Maine's Bill in its present form would directly encourage reckless speculation and fraud, by wealthy men trading under the names of men of straw pocketing the profits if successful, and ranking as creditors upon what are actually their own estates in case of failure.

Clause No. 2 of the Bill I quite approve of, because there the share of profits is in payment of labour done, not of capital lent: nor do I take objection to Nos. 3 and 4; but the 1st clause I think decidedly mischievous, and sincerely trust it will not be passed as it now stands.

J. E. GRIMM,
Partner Stoehr, Prieger, & Co.

Bombay, February 1866.

MINUTE OF MR. H. MULLER, OF MESSRS. KNOOP & Co.

In reference to the Honourable Mr. Maine's proposed amendment of the law of partnership, I beg to say that in my view a commanditarian partner (or lender) ought to be responsible to the full amount which he invests in a business, and in case of insolvency not to receive any dividend until the claims of all creditors have been satisfied, nor should he at any time have the *right* to interfere with the management of the business.

This being, as I believe, the general view taken of limited liability in Europe and also in America, I am in favour of the admission of Clause V. of the English Bill.

H. MULLER,
Partner Knoop & Co.

Bombay, February 1866.

MINUTE OF MR. A. D. SASSOON, OF MESSRS. DAVID SASSOON & Co.

1. Under the provisions of the proposed Act it appears that it would be lawful for *any number* of persons, under the guise of a loan granted to a person or firm about to engage in any business, to associate themselves together for the purpose of carrying on trade, whereas Section 2, Part I., of Act XIX. of 1857 distinctly provides that not more than *twenty* persons shall carry on *in partnership* any business having gain for its object unless they are registered as a company. I do not see how these two Acts can harmonise, unless it be understood, which is difficult to be done, that a person who stipulates to share in profits but not in losses will not be considered a partner under the above-quoted Act. There may also be many other similar discrepancies in the wording of this and of existing Acts, which would require alteration or explanation if the Bill in its present form were to become law.

2. But I am clearly of opinion that any individual who deposits his money with a firm in consideration of receiving a rate of interest varying with the profits, or a share of the profits arising from carrying on trade or business, ought also to be liable to some compensating disadvantages as compared with the general creditor, who would receive only a fixed rate of interest in times of great prosperity, whereas the commanditarian lender might receive his 25 or 50 per cent. The section of the English Act which would make commanditarian lenders rank *after* the general creditor is, I think, preferable to placing them on equal terms in cases of insolvency.

3. I see no objection to Clause 2 of the proposed Act provided the servant or agent has not embarked his own capital in the business, but I hold that all persons depositing

their funds in any firm in such a form as shall increase the capital of the firm should also be responsible for losses incurred in working that capital, at all events to the extent of the capital concerned, otherwise there would be no safeguard to the public.

4. It is well known that in times of commercial prosperity large sums of money are seeking investment, and it is also reasonable to suppose that under the inducements provided by the Act large deposits would be placed in any firm which by public report had been particularly fortunate. The apparent capital of the firm would thus be so considerably increased that a corresponding expansion of business would follow; then a temporary depreciation of the staple produce of a city, or a depression of the money market, might ensue, and depositors or commanditarian lenders would withdraw their moneys on the first opportunity (whether that be provided by statute or by private arrangement), so that in a few months the trader or firm might be deprived of the means which had with good reason been reckoned on to meet liabilities, and insolvency would follow. Frequent occurrences of this sort would tend to shake commercial credit to a much greater extent than insolvencies which are due to a want of real capital.

5. On the other hand, it is desirable that the capital of the country should be employed to the greatest extent possible in developing the commerce of the country, and any enactment by which this could be effected without endangering public credit would be a public boon, but I do not consider that the Bill in its present form is sufficiently preventive of the abuse of its principle.

A. D. Sassoon,
Partner David Sassoon & Co.

Bombay, February 1866.

Minute of Mr. Robert Campbell, Agent Chartered Mercantile Bank of India, London, and China.

In compliance with the resolution passed at the last meeting of the Chamber of Commerce, I have now the pleasure to record my opinion of the Bill to amend the law of partnership in India, at present before the Legislative Council of His Excellency the Viceroy.

The Bill is described by the Honourable Mr. Maine as, with one addition and one omission, transcribed from the English Statute 27 and 28 Vict., Chap. 86. This statute has the effect of an extension of the Limited Liability Act to private firms, by creating a class of commanditarian partners, who are entitled to share in the profits without rendering themselves liable for more than the amount they advance. As an almost necessary result of this step, many of the safeguards imposed by the Limited Liability Act to protect the partners of such associations as well as the public, and to guard against abuse of credit, have been withdrawn, as it was considered inexpedient to subject private firms to the inconvenience of public registration, audit, and publication of balance sheets. The results of this experiment have yet to be seen, but I question the wisdom of extending the principles of the Limited Liability Act to a point where the regulations imposed to prevent its abuse become impracticable. The measure was strongly opposed in Parliament by men whose opinions on commercial and financial questions carry the greatest weight, and this fact alone ought to induce our Legislature to hesitate before introducing the measure to India, until it has had a fair trial in England, and its effects can be judged by the results of its practical working there.

But Mr. Maine desires not only to hasten the introduction of this measure to India, but he proposes to go a step further, and to omit Section 5 of the English Act, which provides that in the event of the borrower's insolvency commanditarian lenders shall not be entitled to prove till the claims of the other creditors are satisfied. The omission of this clause completely alters the character of the Bill, and in effect confers on commanditarian lenders not only all the privileges of partnership without any of its responsibilities, but at the same time an advantage beyond those enjoyed by other creditors—the all-important advantage of knowing the exact position of the firm to whom their money is lent.

The surest safeguard against overtrading, and the best guarantee for a firm conducting its business on prudent principles, is the liability of its partners for the debts of the firm, and whether the moneyed partners reside on the spot or at a distance, the knowledge of this fact is sufficient to make them adopt every precaution for having the business conducted on sound and cautious principles, even though

the profits are moderate, in preference to incurring undue risks with the chance of larger returns. Even the partial removal of this safeguard by the English Act may yet be found to have been a step too far, but the entire abolition of any such checks in the case of firms trading on commanditarian capital, which will be the result of Mr. Maine's Bill as it now stands, will be most pernicious. Suppose the wealthy partners of a firm retire, leaving the business in the hands of a man without capital, placing as much with him in the shape of commanditarian loans as will enable him to maintain the firm in its former position and credit, and naturally exercising a considerable influence in the firm's transactions. Under such an arrangement there is no longer the same necessity for that firm to adhere to a cautious and legitimate style of business which would yield only moderate profits, but on the contrary there is every inducement for its adopting a bolder and more speculative policy which *may* leave very large profits. In the event of their speculations turning out favourably the profits are withdrawn and placed in safety, while in the event of loss the intimate knowledge of the firm's affairs possessed by the commanditarian lenders will enable them to secure themselves before the crash comes, and even in the event of their not being able to withdraw their loans in time they are in no worse position than other creditors. This argument is met by Mr. Maine's assertion that commanditarian creditors have no advantage over others in this respect, inasmuch as firms never borrow money except when they are in difficulties, and that the very fact of seeking to borrow is a notice of embarrassment. Even admitting, which I am very far from doing, that the fact of a firm applying for a loan is of itself a sign of embarrassment, direct applications for loans such as Mr. Maine refers to are very seldom resorted to, and a firm may have many lacs of its bills constantly afloat without ever having had recourse direct to a bank for a loan. Any one who considers the universal system of credit which forms the basis of commerce, the millions of paper afloat and passing from hand to hand with almost the facility of cash, and the many ways by which a firm of good standing is able to use its credit for the purpose of obtaining money or what can be converted into money, must see that it would be impossible for business men to institute a minute investigation into the constitution of every firm with which they deal, and to arrive at an exact knowledge of its position at

each transaction; and I submit that in point of information the commanditarian lender would have an immense advantage over other creditors, an advantage which he would not be slow to make use of when the necessity arose.

But, apart from this, I consider the principle entirely unsound which would endeavour to place commanditarian lenders on an equal footing with other creditors in the event of insolvency; and here I would remark that the Honourable Mr. Maine appears to entertain a strong objection to the terms "commanditarian partnership" and "commanditarian partners," and greatly prefers the terms "commanditarian lenders" and "commanditarian loans." As the word "partnership" implies a certain liability for the debts of the firm, a liability which Mr. Maine studiously endeavours to abolish in so far as the favoured class which his Bill will call into existence is concerned, his objection to the word is not to be wondered at. But if we consider the grounds on which the principle of a partner's liability is based, the injustice of absolving commanditarian lenders from all such responsibility will be at once apparent.

Notwithstanding Mr. Maine's assertion of the limited extent to which firms are in the habit of borrowing money, I venture to say that there are few if any firms of importance whose business is confined entirely within the limits of their own capital, and that in nearly all firms doing an extensive business their capital represents but a small proportion of their transactions. It is evident, then, that their profits are in a great measure proportioned to the extent of their *credit*, and that a comparatively small portion of them is derived from actual employment of their own means. The responsibility imposed on partners in return for the advantages they enjoy in this respect is that they are bound to protect the creditors from loss to the full extent of their means in the event of disaster occurring to the firm. But Mr. Maine's Bill will have the effect of nullifying this just obligation, by creating a new class in the commercial community, who, he justly says, are not to be considered partners, inasmuch as they are to be absolved from all the responsibilities attendant on such a position, although they are at the same time to enjoy all its advantages, who are to participate in all the benefits accruing from the extent to which a firm can push its credit, and in fact to remain virtually partners so long as the firm continues to prosper,

but who the moment this ceases to be the case are to be entitled to change their character, and take up the position of creditors.

One of the best illustrations of the results which would follow from the introduction of Mr. Maine's Bill as it at present stands is furnished by himself, in his speech introducing the measure. He then spoke as follows:—

"Some minor advantages connected with it may be mentioned. One of these relates to all European adventure in India. The notorious difficulty of such undertakings is the difficulty of agency. It is said that plenty of energetic men come out, but I am told they do not make good servants. If, then, such a person were turned into a master through this Bill, if he become, to use the French phrase, the *gérant* of a *commanditarian partnership*, it is possible that his relation to his employers would be more satisfactory, and at all events his motives to good faith and exertion would be greatly increased."

Mr. Maine has here allowed himself to make use of the objectionable term "commanditarian partnership." His meaning would probably have been better expressed by the term "association of commanditarian lenders," and the operations of such an association would, I apprehend, be somewhat as follows:—A *gérant* would be appointed, to whom the members of the association would advance money *en commandite*, and the profits derived from its employment, after paying expenses, would be divided among them. This would work very well so long as their affairs prospered, but in case of their operations resulting in loss the concern would resolve itself into something like this: 1*st*—A *gérant*; 2*nd*—A body of commanditarians, who, having as partners shared the profits of previous operations, would now appear in the light of creditors, and rank as such on the estate; 3*rd*—The creditors who are not commanditarians. I would call particular attention to the fact that, in the event of commanditarian associations or firms meeting with losses, the best means they could adopt to lessen these losses to themselves would be to victimise as many creditors as possible. Thus, suppose a commanditarian association to have subscribed 50 lacs and to have obtained credit for 50 lacs more. This makes the total liabilities 100 lacs. But in making up their balance sheet it is found that their assets only amount to 75 lacs, showing a loss of 25

lacs. The estate would in this position yield 15*s*. in the pound; but if the association could in these circumstances only succeed in obtaining credit to the extent of 50 lacs further, the position of its members would be materially improved, and the estate would then stand thus: liabilities 150 lacs, assets 125 lacs, which would give a dividend of 16*s*. 8*d*. Under the law as it at present stands, or even under the new English Act, the association would gain no advantage by such an extension of its liabilities, as its members would be prevented from sharing in the assets until other creditors had been satisfied in full; but the Bill proposed by Mr. Maine actually holds out inducements for an insolvent association or firm of this description to extend its liabilities as widely as it possibly can. This consideration alone is suffiicient to show the unsoundness of the principle which would create a class of men combining in themselves all the privileges both of partners and of creditors.

Another argument advanced by the supporters of this measure is that it would bring out the hoards of the small capitalists for the purposes of trade. This was one of the principal objects for which the Limited Liability Act was introduced, an object which that Act is eminently calculated to effect, and an investigation of the various companies of every description at present registered under it in Bombay alone shows how freely it has been taken advantage of. This Act renders it a matter of the greatest ease for any combination of capitalists, small or large, to turn their money into any channel that may appear desirable or profitable, and at the same time the interests of the partners are protected by the regulations as to audit and general meetings &c., and the interests of the public are guarded by enforced registration and periodical publication of balance sheets. With so wholesome a measure as this in operation and so largely availed of, I fail to see the necessity for the present measure, and I would suggest—1*st*—That the Committee recommend that its introduction be delayed till sufficient time has elapsed to enable full reports to be received as to the working of the English Act; 2*nd*—That in the event of its being carried through, Section V. of the English Statute be on no account whatever omitted, that the public be protected by the enforced registration of all commanditarian loans, and further that the withdrawal

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of such loans should be made subject to a certain term of notice to be fixed by the Legislature.

ROBERT CAMPBELL,
Agent Chartered Mercantile Bank
of India, London, and China.

Bombay, February 1866.

MINUTE OF MR. JAMES DOUGLAS, AGENT CHARTERED BANK OF INDIA, AUSTRALIA, AND CHINA.

If the Bill, which seems to offer great advantages to the commercial interests of India, passes into law, I humbly suggest the insertion of a clause rendering it obligatory on the partner *en commandite*, or the commanditarian lender, to declare, as is done in France, the capital he puts into the contemplated concern, by public notification in the *Government Gazette*, and give timely notice of its withdrawal.

JAMES DOUGLAS,
Agent Chartered Bank of India, Australia, and China.

Bombay, February 1866.

MINUTE OF MR. JOHN SMITH, OFFICIATING MANAGER OF THE FINANCIAL ASSOCIATION OF INDIA AND CHINA, LIMITED.

The Bill appears to me to be equivalent to a proposal to abolish the responsibility of partners in a mercantile firm for losses incurred in business, and to remove the checks and limitations which have hitherto been considered necessary in joint stock companies availing themselves of the Limited Liability Acts.

It establishes an immunity from responsibility on account of losses contracted by a mercantile firm, by providing, *first* (Section 1), that those who contribute *money*, and, *second* (Section 2), that those who contribute *labour* to its management, shall not be liable for such losses; and, as *money* and labour are the two chief elements of partnership, the liability is practically entirely removed.

It removes the checks and limitations which have hitherto been considered necessary in companies availing themselves of the Limited Liability Acts, by enabling any number of individuals to associate themselves as "lenders to" instead of as "partners of" an undertaking which to all practical purposes is a joint stock corporation, although nominally a private firm.

In either case the nominal partners may be men of no capital, completely under the influence and control of the nominal lenders but *real partners* of the concern.

Such important changes in the existing state of partnership law require sound and weighty reasons to support them, and I propose to consider those adduced by the honourable mover of the Bill in the statement of objects and reasons accompanying it, as the strongest which can be brought forward on their behalf.

These reasons are—

1*st*.—The expediency of Indian following English legislation in mercantile matters.

As I am only discussing the merits of the proposed Bill, it is unnecessary to enter upon this consideration.

2*nd*.—The improvement of the present law, which is supposed to rest on an *obiter dictum* of Chief Justice Eyre's.

For a similar reason it is unnecessary to discuss this consideration.

3*rd*.—The abolition of responsibility on the part of retiring partners, and the consequent increase to the stability of mercantile firms.

In his speech on the introduction of the Bill the Honourable Mr. Maine used the following argument in support of this proposition, viz:—That the tendency of the present law is to weaken mercantile firms by the retiring partners (owing to the possible prospect of future loss arising from their liability) *withdrawing their capital from the firm without diminishing its credit*, while under the proposed new law partners will allow their capital to remain in the firm, and thereby strengthen its operations. There appears to me to be some confusion here in the application of the terms "capital" and "credit." Commercial capital, as defined by political economists, is "the sum of money which a merchant

adventures in any undertaking, or which he contributes to the common stock of a partnership." Credit, on the other hand, is the power of borrowing. Now, under the proposed new law, the retiring partner's share of the business will cease to be capital in this sense, and will come under the category of credit, for it will no longer be the sum of money which the merchant contributes to the common stock of a partnership, but will become a part of the money which he is able to borrow; hence, while under the present law "capital is withdrawn and credit is not diminished," under the new *capital will be withdrawn and credit increased.* And if, as Mr. Maine justly remarks, the former result is one of "the most unwholesome state of things that can possibly exist in trade," surely the latter must be indescribably bad. The tendency of the measure appears to be, therefore, the very opposite of that contemplated by its author.

4th.—The promoting of those beneficial arrangements between employer and employed based on the principle of the latter being remunerated by a portion of the profits of the business.

The promotion of such arrangements as are here referred to I believe to be highly desirable, but I cannot see how the proposed law will facilitate them. I have never heard that employés refuse a share of the profits of the business in which they are engaged, on the ground that such share of profits would entail a corresponding share of losses. I do not believe that this is the case, and if the object of the Bill be (as stated) to increase the employés' "motives to good faith and exertion," I conceive that that object will be yet more completely obtained by making them responsible for losses, as well as participators in profits.

5th.—That the interests created under the proposed Act will not be generally saleable, and that the non-commercial classes will therefore be able to procure investments which have not the highly speculative value of shares in ordinary limited liability undertakings.

I cannot think that under the proposed measure the interests thereby created might not be readily saleable, but if it were so I should consider it an objection, rather than an argument in its support. The whole tendency of modern legislation has been to render pecuniary interests of every

kind as readily negotiable as possible. Government paper and promissory notes are the most negotiable of all securities, but I believe it would be considered a very questionable improvement to deprive them of this peculiarity. With reference to the opportunity which is thus promised to the non-commercial classes of obtaining investments, I think it is not likely that mercantile firms will invite assistance in such matters from the outside public, and the advantage to be conferred on these classes is therefore to my mind wholly imaginary.

6th.—The bringing of our mercantile law into harmony with that of the natives of India.

The fact here assumed, that the law of the natives of India is similar to that proposed in the present Bill, appears to be extremely doubtful. My experience would lead me to believe that if such a practice is adopted at all it is only in exceptional cases, and not by any means as a rule, at all events in Western India. But even if it were otherwise, I cannot see that this is a valid reason for altering our present law. No greater difficulty exists (as those who have had any experience in the lending of money to Native firms well know) than that of ascertaining who are and who are not the real partners in these firms, but if the present Bill should unfortunately become law this difficulty will be greatly increased. Nothing indeed would more suit the gambling propensities of many of the natives of India than to be permitted to contribute capital to the wildest schemes of speculation, on condition that they were to share in the profits if the speculation were successful, and were to be free from liability if it were otherwise; but if in addition to this immunity were to be added the right of withdrawing their capital the moment that they perceived the adventure was likely to prove unsuccessful, I can conceive of no limit to the reckless speculation which must necessarily ensue. I feel certain that had the proposed measure been in operation during the recent speculative mania in Bombay, the evils resulting from that mania would have been indefinitely increased.

In the "statement of objects and reasons" accompanying this Bill, which I have thus referred to in detail, I fail to find any sufficient ground for the sweeping change in the existing law which it is proposed to effect. Indeed I find

many reasons against it. But I would add one or two other considerations which appear to me to weigh in the same direction.

In the first place the proposed law will materially impair the *credit* (or borrowing powers) of the leading mercantile firms of India with those who are in the habit of making advances to them. The honourable mover of the Bill appears to anticipate this objection, and answers it by asserting that a firm "scarcely ever becomes a borrower except when it is in embarrassment and difficulty," and that "the very fact of asking for accommodation is notice of embarrassment;" and hence he argues that the commanditarian lender will have no greater advantage in respect to his knowledge of the borrower's situation than any other lender. But is the fact here stated true? Is it the case that a firm never borrows unless in circumstances of embarrassment? On the contrary, it is notorious that all firms borrow to an extent far exceeding their working capital, sometimes to the extent of ten or twenty times their capital, by the process of what is termed *selling their bills in the open market?* There is here an important distinction to be drawn betwixt the circumstances of English and of Indian traders, a distinction materially affecting the question of analogy in the legislation of the two countries: for whilst in the former case the majority of partnerships are of a purely local character, and their only means of borrowing money is by applying to a bank for it on the deposit of securities, in India, on the other hand, almost all European houses, and the leading Native ones also, carry on a foreign trade, and raise the requisite money by the system of foreign bills of exchange generally drawn on their personal credit, without the deposit of any security whatever. It may or may not be true that circumstances of embarrassment are generally implied when a merchant borrows money by means of "local discounts," as they are termed, but it is certainly not true in the case of borrowing on exchange bills, which is the usual method of borrowing adopted in this country. The credit which borrowing firms in India thus enjoy is due almost entirely to the large working capital which they possess, and to the knowledge that the contributors of that capital, even although resident in England, are liable for all the losses which the firm may incur. But under the new law the facility of borrowing will be greatly reduced, for it is not likely that bankers will

purchase the Bills of such firms (especially for the long fixed term of six months which they usually have to run) when, for aught that they know to the contrary, the whole of their nominal capital is merely borrowed money, which its contributors may withdraw the moment that the firm gets into difficulties? It is well known that the largest partners of Indian firms are generally partners resident in England, whose contributions of capital and whose personal security is considered ample for all the liabilities of the firm; but under the new law such partners may avoid liability altogether by declaring that their contributions of capital are merely by way of loan, while yet the influence which such contributions of capital would confer upon them would enable them to make arrangements whereby they could completely control the proceedings of the local partners without making themselves publicly or even legally responsible. Such a practice could not fail materially to weaken the credit of such firms, and indeed of all firms, for it appears to be one of the chief objects of this Bill to prevent the public from knowing who have and who have not taken advantage of its provisions, and the public will therefore be compelled to view all with the like suspicion and distrust.

Again, while impairing the credit of strong houses, it will strengthen that of weak ones, *at the public risk*. Houses which at present are utterly unable to command the necessary capital or the necessary credit to carry on an extensive business may be able, under the new Bill (which places one particular class of lenders only in the position, to use the words of its honourable author, of being "perfectly safe,") to obtain a large fictitious capital, and under its cover a still larger public credit, when in reality they have no responsible capital at all. To argue, as has been argued in the Legislative Council and elsewhere, that the tendency of this Bill is to make creditors the creditors of solvent rather than of insolvent firms, is simply to maintain that the greater the liabilities of a firm the greater will be its security, that the more loans which it may be enabled to contract the more easily it will be able to repay them. The statement of the proposition is enough to refute it.

Further, it has been maintained that the proposed Bill only carries out to its legitimate conclusion the principle of limited liability, which has been found to work so well in its

application to joint stock companies; but, with all deference, it appears to me to be a total subversion of that principle. Traders availing themselves of the Limited Liability Acts are required to register their intentions as such, and thereby to make a public declaration to the world of their character; they are required, moreover, periodically to furnish to the public full information as to their shareholders, who they are, and what interest they hold in the undertaking; they are also required to publish annual statements of their accounts, which must undergo the rigorous tests of a responsible audit. The heaviest penalties are imposed on the failure to comply with these restrictions, and the company itself may be wound up by the Court, on the application of any creditor, on the loss of three-fourths of its capital. Few men who have had the benefit of the experience of the past year in India maintain that any one of these checks and limitations is unjust or unnecessary in the interests of the public. But by the present measure every one of them is ruthlessly swept away. "The effect of registration," says Mr Maine, "would be to cast discredit on the firm taking advantage of the new law." Why should it? Has it done so in the case of limited companies? And if it does cast discredit on private firms, what is the cause? Simply because it is a sign of weakness, and will create distrust in the minds of all parties having dealings with the firm in the capacity of creditors. The very fact that the public knowledge of any firm having taken advantage of this Bill would tend to cast discredit upon the firm is a most conclusive argument against it. "But," it is argued, "those who make loans to a private firm ought first to make themselves acquainted with its position and circumstances." And how, I would ask, can they do so better than through the system of registration? If public registration is calculated to throw discredit on a firm, it can only be in the minds of those who are likely to become lenders to it: and yet these are the very parties who ought to be acquainted with the facts, and who are counselled to seek the information which registration would at once afford through some more inaccessible channel. The objection to registration is therefore a virtual attempt to evade the imparting of this information, *and must result in the deception of the public.*

It appears to me, therefore, in view of all these objections, that the whole principle of the measure is unsound, and

that no amendments can ever make it otherwise. All the legitimate objects of the Bill can be obtained through the present law of limited liability, or, if it be thought desirable to extend the operation of that law to a firm composed of a smaller number of partners than can be at present registered under it, let the clause be abolished which limits its application to an association consisting of seven members and upwards. Any firm can then take advantage of it, while the ruinous results of the present measure will be effectually guarded against. The only interests which can in my opinion be promoted by the Bill now before the Legislative Council of India are those of retiring partners, and as this can only be effected at the expense of other and more important interests, and as the measure is calculated, moreover, especially in the hands of the natives of India, to foster a spirit of reckless adventure and speculation, I trust that it will not be permitted to pass into law.

JOHN SMITH,
Officiating Manager Financial Association
of India and China, Limited.

Bombay, February 1866.

MINUTE OF MR. J. WINDRAM, AGENT OF THE NATIONAL BANK OF INDIA.

In accordance with the resolution passed at last meeting of the Chamber, I beg to state my views respecting the "Bill to amend the Law of Partnership in India," introduced by the Honourable Mr. Maine, and now before the Legislative Council of India.

There can be no doubt that the general principles of the proposed enactment are excellent, and likely, if the measure, with some modifications, becomes law, to prove of great utility and importance to the trading community. But, while it is unnecessary to refer to the probable—indeed, almost certain—advantages likely to arise from its adoption in a slightly modified form, it appears important that several grave objections to the Bill in its present form should not be lost sight of. Those acquainted with practical business in

this country will generally, I think, come to the conclusion that the working and operation of the Bill will be of a more restricted character than that expected by the honourable gentleman in charge of the Bill. From Mr. Maine's statement in Council it appears he is of opinion that the non-mercantile classes and women are likely to engage in commanditarian transactions. This expectation I fear will not be realised, considering that such people have many opportunities of investing their funds in remunerative undertakings, where not only is the liability limited, but periodically they have a distinct statement of the position of their property submitted to them. At the same time they know that the company or undertaking in a great measure is directed by men of their own choice and selection, and that they have a voice in any important measure affecting its interests. Apart from the consideration, therefore, that it is even dangerous to encourage people of limited means to risk their capital, or any portion of it, in mercantile adventures over which they can exercise no control, it will be found, I think, that very few people unacquainted with business will become commanditarian lenders to mercantile firms. Practically, then, this measure will affect the Native trading community, and the great European firms at the presidency towns. As regards the native trading community the Bill in its present form is dangerous, as it is quite possible, nay, probable, that a very large portion of their business will be carried on on the commanditarian principle, and in the event of insolvency it will pretty generally be found that there are no assets for ordinary creditors. As regards the European firms at the presidency towns there can be little doubt that the frequent withdrawals of capital, caused by the periodical retirement of partners of acquired wealth, is a drawback to the commercial prosperity of the country, and not unfrequently proves a source of considerable inconvenience to the firms with which the said retiring partners may have been connected. If by the proposed measure, therefore, a portion of that capital which is now withdrawn on the retirement of partners is allowed to remain, to strengthen the position of the firms, the Bill will be of great public benefit. I think, however, the advantages proposed to be conferred on the commanditarian lender, or limited partner, as he may be called, are much too great, and certainly, as the Bill stands at present, would prove prejudicial to the interests

of ordinary creditors. Under the general principles of the Bill, it is not expected that the retiring partner is to intrust the firm with which he has been connected with the whole of his acquired wealth; on the contrary, that he will only allow *a portion* of it to remain: and I am decidedly of opinion that if he participates in the profits of the firm in proportion to the capital he has left, he should certainly bear its responsibilities, such responsibility, however, to be limited to the extent of the capital left by him in the firm as a commanditarian lender or limited partner. If such parties, knowing well the advantages to be derived from trade, are willing to allow a portion of their capital to remain in the firm, they are equally well aware of the uncertainties and risks of trade: and while, therefore, they may have enjoyed for years large profits on the capital thus left by them in the concern, it seems manifestly unfair to the ordinary creditor, whether merchant or banker, that such commanditarian lenders or limited partners in the event of insolvency should rank as ordinary creditors. It is quite possible the whole of the original capital left by them in the firm may have been repaid out of profits, while the ordinary creditor, say a merchant firm in England with a credit balance in the hands of the insolvent firm in India, has received no such advantages. Commanditarian lenders or limited partners should be looked at in a light somewhat similar to shareholders in a limited company, liable to the extent of capital they may have paid or subscribed. If this view is adopted, which is only just and reasonable, it is apparent the 5th clause of the English Act is wise and necessary, and should *not* be omitted from the present measure. The Bill ought to go further: it should be imperative that commanditarian lenders of amounts of £10,000 and upwards to trading firms should be advertised as limited partners to the extent of the capital put in by them, in a manner somewhat similar to the present mode of advertising the admission of partners under ordinary circumstances. Further, that when a commanditarian lender or limited partner wishes to withdraw the capital he has intrusted to the firm, it should be necessary to give twelve months' notice by public advertisement. This notice of withdrawal would be of as much importance to the firm as to the general public doing business with them. It may be urged against this that such publicity might prove incon-

venient to the firm, and possibly in a small measure affect its credit. This impression, if it exists, is, I think, erroneous, because it might with far greater weight be urged under present circumstances, where during a year large numbers of rich unlimited partners are publicly advertised as having no further interest in the concerns with which they have been connected, and yet as a very general rule the credit of the firms remains uninjured. If, however, in the opinion of those better qualified to judge, such publicity would be inconvenient in reference to commanditarian lenders or limited partners, what possible objection can there be to rule that commanditarian loans of £10,000 and upwards require to be registered with the Registrar of Joint Stock Companies, and that when repayment of the loan is required twelve months' notice of withdrawal be registered with the same authority? Looking at the possibility of a large portion of the capital of trading firms being represented or held by commanditarian lenders or limited partners, it seems a dangerous measure without some such notice of withdrawal being required. The usance between India and England is six months after acceptance in England, and, allowing a month for transmission, the purchaser of bills of exchange on the corresponding firm in England undertakes a risk for seven months, very frequently without any security. The credit thus obtained is based upon the known respectability and resources of the firm, and it certainly appears unjust that the commanditarian lender should have the power of withdrawing his capital, the cause of his doing so possibly arising from a knowledge of impending difficulties; and while he can thus so well protect himself, the holders of bills of exchange, in which such enormous transactions take place, can do nothing until the bills mature, and by that time if the firm becomes insolvent the commanditarian lender or limited partner may have got his capital removed.

If any one, therefore, considers for a moment the enormous interests at stake in regard to bills of exchange in circulation drawn at the present long usance, he will hesitate before conferring such privileges on the commanditarian lender or limited partner.

J. WINDRAM,

Agent National Bank of India, Bombay.

Bombay, February 1866.

No. 109 OF 1866.

To C. GONNE, Esq.,

Secretary to Government, Judicial Department,

Bombay.

Chamber of Commerce, Bombay, 4th April 1866.

SIR,—With reference to my letter of the 23rd ultimo, handing printed copies of minutes by Members of this Chamber on the Partnership Law Amendment Bill for transmission to the Government of India, I am now directed to state for the information of Government that the Committee of Management have learnt with equal surprise and regret, from reports published in the newspapers, that the Select Committee appointed to consider the Bill have not only given in their Report without waiting to receive any opinion upon it from this Chamber, after the Government of India had invited it to express one, but that the Legislative Council of India has finally considered the Bill, and without further delay passed it through all its stages on the 23rd of March.

The Committee cannot but express regret at the undue haste with which, in their opinion, this Bill has been proceeded with through all its stages.

Had the Bill dealt with a subject of no great public importance on which there was little difference of opinion, they must still consider that legislation has been more rapid than was consistent with due deliberation or opportunity on the part of the public of forming an opinion, when the Bill was brought in, debated, and passed, all within a period of three months.

But when it is considered that the Bill makes a radical change in a branch of commercial law of such importance as that of private partnership, that the subject was so new to merchants in India when the Bill was introduced in December last that few of them had given it any consideration, and when it proposed also to go further in the way of change than had been deemed expedient in England after much discussion on the subject in its various bearings,

the Committee cannot but think it was wrong to have proceeded so rapidly in making the proposed Bill law, without having afforded anything like sufficient time for the deliberate consideration of the objections that are urged against it.

If the general opinion of the country had been more favourable to the Bill than appears to be the case, it would still have consisted more with the great importance of the subject if, after having been brought before the Council and the country for consideration, the Bill had been permitted to rest, pending public discussion, till the meeting of Council next cold season.

There was no pressing exigency requiring that the Bill should so rapidly become law: nothing would have been lost by waiting. On the contrary, delay might have had the effect of disarming opposition, by affording ample time for weighing and considering the opinions advanced on both sides, and in the end a Bill might have been passed which carried with it the favourable suffrages of the whole mercantile community, Europeans and natives alike.

As it is, a Bill has been passed by the Legislative Council of His Excellency the Governor General to which many of the merchants and bankers on this side of India entertain grave objections, while they have further the humiliation of knowing that the Bill was passed by the Council in such extreme haste that it would not wait to hear the arguments which they have urged against it.

I am directed respectfully to request His Excellency the Governor in Council will do the Committee the favour of forwarding a copy of this letter to the Government of India as early as possible.

I have the honour to be, &c.,

(Signed) JAMES TAYLOR,
Secretary.

No. 1257 OF 1866.

JUDICIAL DEPARTMENT.

Bombay Castle, 13th April 1866.

No. 109, dated the 4th April 1866, expressing the regret of the Committee of Management of the Chamber of Commerce at the haste with which the Bill to amend the law of partnership in India has been passed.

SIR,—I am desired to inform you that a copy of your letter noted in the margin has been forwarded to the Government of India.

I have the honour to be, &c.,

(Signed) H. BIRDWOOD,
Under Secretary to Government.

To the SECRETARY TO THE CHAMBER OF COMMERCE.

No. 1751 OF 1866.

JUDICIAL DEPARTMENT.

Bombay Castle, 28th May 1866.

SIR,—With reference to your letter No. 109, dated the 4th ultimo, expressing the regret of the Committee of Management at the Bill to amend the law of partnership in India having been passed before the opinion of the Bombay Chamber of Commerce on it had been received, I am directed by the Honourable the Governor in Council to forward to you the accompanying copy of a letter, No. 727, dated the 10th instant, from the Secretary to the Government of India on the subject.

I have the honour to be, &c.,

(Signed) J. KING,
Acting Under Secretary to Government.

To the SECRETARY TO THE CHAMBER OF COMMERCE.

No. 727.

HOME DEPARTMENT.

From E. C. BAYLEY, Esq.,
Secretary to the Government of India,

To H. BIRDWOOD, Esq.,
Under Secretary to the Government of Bombay.

Simla, the 10th of May 1866.

SIR,—I am directed to acknowledge the receipt of your letter No. 1256, dated the 13th ultimo, enclosing copy of a communication from the Secretary to the Bombay Chamber of Commerce expressing the regret of the Committee of Management at the Bill to amend the Law of Partnership in India having been passed before the opinion of the Bombay Chamber of Commerce upon it had been received.

2. In reply I am directed to state that the Governor General in Council regrets having felt himself under the necessity of moving the Council for making Laws and Regulations to pass the Partnership Amendment Act without having the advantage of a formal opinion from the Bombay Chamber of Commerce.

3. His Excellency in Council, however, observes that many of the expressions employed in the letter from the Chamber can only be explained by the supposition of some misapprehension as to the rules for the conduct of business observed by the Imperial Council. None of these rules, I am to explain, were suspended for the purpose of enabling the Bill to be passed with unusual speed. It was not passed through all its stages at once, nor was there any greater haste in making it law, than consisted in carrying it through in a single session of the Council. Although with the exception of one provision, which appeared to the introducer of the measure, and ultimately to the Council, to be incapable of application in India, it was a transcript from English legislation, it was the first measure of the session which the Legislature was asked to discuss, and it was passed at the last sitting but one which the Council held.

4. The time thus afforded for discussion in India was quite as long as that during which the original measure was under consideration in England, and it proved long enough, in fact, to give the Council an opportunity of weighing the opinion of every person or body who had been consulted, with the exception of the Bombay Chamber of Commerce. Among the opinions submitted to it were those of a very large number of Hindoo, Parsee, Mahometan, and Jewish firms at Bombay, all of them, with one exception, favourable to the measure.

5. At the same time the Governor General in Council hopes the Chamber will believe that the Government of India is quite sensible of the disadvantage which the Legislature laboured under in not having the views of the Chamber before it, and His Excellency trusts it will not suppose that its opinion was not anxiously looked for to the last moment, or that its reported deliberations were not carefully considered. But the reasons against further delay appeared to the Government of India to be preponderant. It had become known to the Government that a large number of important commercial arrangements were suspended, and indeed had been suspended ever since the English measure passed, in the expectation that the Partnership Amendment Bill would become part of the law of India.

6. Moreover, the numerous replies which were actually received from the persons and bodies consulted by the Government induced the Governor General in Council to believe that, while the arguments for and against the measure, and the various modifications proposed to be made in it, deserve most serious attention, yet these arguments lie within a very narrow compass, so that there was but little chance that the postponement of the question would have added to their number or their force.

I have the honour to be, &c.,

(Signed) E. C. Bayley,
Secretary to the Government of India.

APPENDIX D.

REVISED CODE OF CIVIL PROCEDURE.

No. 118 OF 1866.

To the SECRETARY TO GOVERNMENT, Judicial Department,
Bombay.

Bombay, Chamber of Commerce, 16th April 1866.

SIR,—The attention of the Chamber of Commerce has been directed to Sections 638 and 639 of the Bill now before the Legislative Council of India for consolidating and amending the laws relating to the procedure of the Courts of Civil Judicature in British India.

These sections appear to have for their object the subjection of all proceedings in the High Court (should the Bill become law) to the stamp duties imposed by Schedule B annexed to Act X. of 1862, the effect of which will be that every person wishing to commence a suit will, upon the institution thereof, have to pay stamp duty varying from Rs. 50 to Rs. 2,000, all plaints for the recovery of a larger sum than one lac of rupees being subject to the latter amount of duty.

The principle about to be introduced into the High Court, under the sections referred to, of taxing the administration of justice for the expenses of the State, is in the opinion of the Committee of Management so reprehensible in character that the Chamber will give it decided opposition.

It is not, however, the object of the Committee to discuss the question now; at present I am merely directed to call the attention of Government to the strong objections entertained to the proposed clauses, and respectfully to request that His Excellency the Governor in Council will, at the earliest possible date, notify to the Government of India the objection entertained to these clauses by this Chamber, and the opposition that will be offered to their being made law.

I have the honour to be, &c.,

(Signed) JAMES TAYLOR,
Secretary.

No. 1410 OF 1866.

JUDICIAL DEPARTMENT.

Bombay Castle, 28th April 1866.

SIR,—I am directed to inform you that a copy of your letter No. 118 dated the 16th instant, in which you intimate that strong objections are entertained by the Chamber of Commerce to Clauses 638 and 639 of the Code of Civil Procedure Bill, now before the Council of His Excellency the Governor General of India for making Laws and Regulations, has been forwarded to the Government of India.

I have the honour to be, &c.,

(Signed) H. BIRDWOOD,
Under Secretary to Government.

To the SECRETARY TO THE CHAMBER OF COMMERCE.

No. 1978 OF 1866.

JUDICIAL DEPARTMENT.

Bombay Castle, 20th June 1866.

SIR,—With reference to your letter No. 118 dated 16th April last, intimating that strong objections are entertained by the Chamber to Sections 638 and 639 of the Code of Civil Procedure Bill, now before the Council of His Excellency the Governor General of India for making Laws and Regulations, I am directed by the Honourable the Governor in Council to forward to you the accompanying copy of a letter, No. 1325, dated the 30th ultimo, from the Secretary to the Government of India on the subject.

I have the honour to be, &c.,

(Signed) J. KING,

Acting Under Secretary to Government.

To the SECRETARY TO THE CHAMBER OF COMMERCE.

No. 1325.

HOME DEPARTMENT.

From E. C. BAYLEY, Esq.,
Secretary to the Government of India,

To H. BIRDWOOD, Esq.,
Under Secretary to the Government of Bombay.

Simla, the 30th of May 1866.

SIR,—I am directed to acknowledge the receipt of your letter No. 1409 dated the 28th of April, enclosing copy of

a communication from the Secretary to the Bombay Chamber of Commerce intimating that strong objections are entertained by the Chamber to Sections 638 and 639 of the Code of Civil Procedure Bill, now before the Council of His Excellency the Governor General of India for making Laws and Regulations.

2. In reply I am directed to request that, under the orders of the Governor in Council, the Chamber of Commerce may be informed that the Revised Code of Civil Procedure, as amended by the Select Committee, is under consideration of the Secretary of State, and will not be proceeded with till he has expressed his opinion. I am to add that the sections referred to are merely intended to carry out the substitution of stamps for fees on the Original Side of the High Court—a measure which has been long contemplated and many times discussed in the Legislative Council.

3. The Chamber may be assured that before any burden is imposed by imperial legislation on any class of Her Majesty's subjects in India in addition to that which they have been accustomed to bear, full and direct notice of such change will be given.

I have the honour to be, &c.,

(Signed) E. C. BAYLEY,
Secretary to the Government of India.

APPENDIX E.

GOLD CURRENCY FOR INDIA.

No. 98 OF 1866.

FINANCIAL DEPARTMENT.

To the SECRETARY TO THE CHAMBER OF COMMERCE,
Bombay.

Bombay Castle, 29th January 1866.

SIR,—I am directed by His Excellency the Governor in Council to forward to you, for the information of the Chamber of Commerce, the accompanying copy of a petition, dated 23rd January 1866, for the introduction of a Gold Currency, from certain Native firms connected with the cotton trade, and to request that Government may be favoured with any remarks which may occur to Members of the Chamber on the very important subject of the remedy therein suggested.

I have the honour to be, &c.,

(Signed) F. S. CHAPMAN,
Chief Secretary to Government.

Bombay, 23rd January 1866.

To His Excellency Sir H. B. E. Frere, K.C.B.
Governor in Council, Bombay.

The humble Memorial of the undersigned
Native Cotton Merchants

Humbly Showeth

That your memorialists are now suffering severely from the great scarcity of silver coinage, and the consequently high value of money.

Upwards of five lacs of rupees are daily despatched from Bombay to the cotton districts in payment of the cotton purchases.

Of this large amount little is returned to Bombay, and the means at the disposal of Government here for coining silver being inadequate to convert the large quantities of bullion imported at the periods most advantageous for purchasing cotton, your memorialists are put to great inconvenience and sustain much loss in consequence of the drain on the silver coinage.

A large amount of gold currency could be coined much more rapidly, and could be conveyed to the various districts with greater facility, than silver.

Your memorialists are of opinion that any difficulty as to the relative value of the two coins, were the English sovereign made a legal tender for ten rupees, would be of short duration, and in few cases entail any hardship on the trading classes of this country. The gold currency would in a great measure prevent the recurrence of the excessive stringency of the money market, such as occurred in 1863, and that from which the mercantile community is now suffering.

Your memorialists therefore trust that your Excellency will favourably consider this prayer, and that you will forward it to the Governor General in Council, aided by your valuable support, and your memorialists, as in duty bound, will ever pray.

(Signed) Nursey Kessowjee & Co. and others.

(True copy)

H. E. Jacomb,
For Chief Secretary to Government.

No. 58 of 1866.

To F. S. Chapman, Esq.,
Chief Secretary to Government, Bombay.

Bombay, Chamber of Commerce, 20th February 1866.

Sir,—I am directed by the Committee of Management of the Chamber of Commerce to acknowledge the receipt of your letter No. 98 of 1866, dated the 29th ultimo, forwarding copy of a petition to His Excellency the Governor in Council from certain Native firms connected with the cotton trade, praying for the introduction of a gold currency; and requesting to be favoured, for the information of Government, with any remarks the Chamber may have to make on the remedy suggested in the petition for the settlement of this important subject.

2. In reply, I am to state that on the general question of the desirability of a gold currency for India this Chamber expressed its opinion in favour of the same, in a memorial to the Government of India, two years ago, and at that time entered so fully on the general question that it is not now deemed expedient to recapitulate the arguments urged in support of the proposition.

3. The petition from the Native merchants, submitted by Government for the opinion of the Chamber, states that the petitioners were suffering severely from the great scarcity of silver coinage and the consequent high value of money, that five lacs of rupees were despatched daily from Bombay to the cotton districts, that the means at the disposal of Government for coining silver are inadequate to the demand for coined money when large quantities of silver are imported at the periods most advantageous for purchasing cotton, and that they sustained much loss in consequence of this drain on the silver coinage.

They further state that a large amount of gold currency could be coined much more rapidly, and could be conveyed to the various districts with greater facility, than silver, and they conclude by praying that the English sovereign may be made a legal tender for ten rupees, that any difficulties

connected with this would be of short duration and entail little hardship, while a gold currency would in a great measure prevent the recurrence of the excessive stringency of the money market such as occurred in 1863, and that from which the mercantile community is now suffering.

4. In reference to the foregoing statements I am to observe that the convenience of such a coin as the English sovereign in the monetary transactions of this country is now hardly a matter of dispute, but the question of its being made a legal tender in India, at the declared value of ten rupees, must be determined on wider and more important considerations than those set forth in the Native merchants' petition.

5. The difficulties of the late pressure in Bombay required mainly the application of a mechanical remedy, which it would have been a wise economy on the part of the State to have provided, after the warning of the severe pressure for coined rupees at the close of 1863.

6. The Committee have reason to believe that at a comparatively small cost to Government the producing power of the Bombay Mint might be very greatly increased.

7. The absorption of bullion in the interior of India, referred to incidentally in the petition, and sometimes publicly lamented over on very unreasonable grounds, is due to social and moral causes having their root in the habits and customs of the people, which are not removable by merely economical considerations or by the action of Government.

8. So long as the great body of the people of India retain the belief that the possession of the precious metals constitutes wealth, instead of being merely the symbols of it, while they fail to realise the facts that their own labour and the products of the soil are their only valuable possessions, they will continue to require the rest of the world to pay with silver or gold the balance of the cost of the productions of the country not paid for by the import of other commodities in exchange.

9. The social and moral conditions referred to are also, in the opinion of the Committee, the chief causes of the comparative failure thus far of the Government experiment of an issue of paper money, which became law in 1861, through it may be found on inquiry by the Commission

which they are glad to see the Government of India has appointed to report on the working of that measure, that it was rendered to a great extent ineffective by errors of detail, among which may be mentioned the omission in the Act of the proposition of His Excellency Sir Bartle Frere, when a member of the Government of India, to make an issue of notes of the value of five rupees.

10. The Committee viewed with much interest the notification of the Government of India of the 23rd of November 1864, permitting, with the sanction of the Secretary of State, the receipt of sovereigns and half-sovereigns at the Treasuries as the equivalent of ten and five rupees respectively.

11. The Government of India, however, on a very narrow induction of facts, gleaned in a limited experience of three months in Bengal, and apparently without any information as to the effect of the notification in the other presidencies—for no statistics from these were published—somewhat prematurely, in the respectful opinion of the Committee, recomended that sovereigns should be made a legal tender at ten rupees.

12. The Secretary of State considered that the facts and the papers furnished by the Government of India on this subject did not support its recommendation, and he declined to permit its having legal effect, because the commercial value of the sovereign was proved by the facts adduced to be more than ten rupees.

13. This Chamber is most anxious to see the introduction of the English gold sovereign into the monetary system of India, because it is a coin extremely convenient in itself, and most acceptable to the people of India from long experience of its character and value; but the Committee are not prepared to call upon Government in an empirical manner to take steps for declaring the sovereign a legal tender at the exchange of ten rupees, in the face of opposing facts.

14. The question, however, in the present advanced stage of discussion, is so much more a matter of scientific arrangement than of mercantile opinion that the Committee respectfully and earnestly recommend His Excellency the Governor in Council to point out to the Government of India that it should receive immediate consideration, and

that the Commission appointed to consider the working of the Paper Currency Act should be supplemented to the extent of having two or three gentlemen placed upon it, with sufficient knowledge of this branch of the subject, to confer and report as to the best method of introducing gold into the currency of the country, and to dispose of the present difficulty in the way of declaring the English gold sovereign a legal tender for ten rupees.

I have the honour to be, &c.,

(Signed) JAMES TAYLOR,
Secretary.

APPENDIX F.

WORKING OF THE PAPER CURRENCY ACT.

No. 226 OF 1866.

FINANCIAL DEPARTMENT.

Bombay Castle, 5th March 1866.

SIR,—I am directed to forward, for the information of the Chamber of Commerce, the accompanying copy of a circular, dated the 16th ultimo, from the Commission constituted under the orders of His Excellency the Governor General in Council for the purpose of inquiring into the operations of Act XIX. of 1861, "to provide for a Government paper currency," and to request that the Commission may be favoured at an early date with an expression of the views of the Chamber on the several points therein noticed.

2. I am desired to request that you will have the goodness to forward your reply direct to the address of the Secretary to the above Commission, sending a copy to me for the information of this Government.

I have the honour to be, &c.;

(Signed) F. S. CHAPMAN,
Chief Secretary to Government.

To the SECRETARY TO THE CHAMBER OF COMMERCE,
Bombay.

CIRCULAR.

To the OFFICER IN CHARGE OF THE TREASURY OF

SIR,—It being very desirable to obtain accurate local information from various quarters regarding the working of the Act, No. XIX. of 1861, "to provide for a Government Paper Currency," the Commission assembled by order of the Governor General in Council for the purpose of inquiring into and reporting on the operation of that Act will be much obliged to you to answer the following queries to the best of your ability, and to send your replies direct to me. A copy of this communication has been sent to the Government under which you are serving, and, as the Commission is now in session and the matter urgent, you are further requested to send your answer as early as possible.

1. Are Government currency notes readily received and paid away by the native community at their full value in private monetary transactions?
2. If not, what is the reason for their depreciation, and what is the average rate at which they are discounted?
3. What facilities are afforded by officers in charge of Government Treasuries for the exchange of currency notes for silver, and silver for notes?
4. Are these facilities sufficient? if not, what means can you suggest for increasing them?
5. Do you consider the present arrrangement of circles, with a separate note for each circle, well calculated to promote the reception of a paper currency by the native population, and would you retain it?
6. If not, would you propose to increase the number of circles (still retaining the plan of a separate note for each circle), and if so, to what extent? Or, keeping the present number of main circles, would you establish offices of sub-issue at the chief local treasuries within each circle, where the note should be convertible on demand, as at the head office of issue of the circle?

7. Or would you prefer the plan of having one universal note for all India, to be convertible only at the presidency towns and at certain specified treasuries? Or is there any other plan you would recommend?

N. B.—In replying to these last three questions, please to state fully the grounds on which you give a preference to one plan rather than to the others, specially with reference to the important object of establishing a paper currency in the confidence and liking of the natives.

8. Would you propose a note of the value of five rupees? and if so, on what grounds?

9. Are you of opinion that the five-rupee note would have a larger currency than notes of a greater value?

10. Are notes used much by the shroffs and Native bankers for purposes of remittance?

11. Is it the practice of the shroffs and Native bankers to exact discount in all cases of cashing notes?

12. Do the shroffs and Native bankers buy up the notes at a discount for the purpose of sending them to the head quarters of circles for encashment?

13. Do the shroffs and Native bankers prefer the note to hoondies for the purpose of remittance?

14. If your silver reserve runs very low, owing to a large number of currency notes being presented for cash, what facilities by rail or road have you for reinforcing the reserve, and to what department or treasury would you first apply?

15. Has your treasury been unable to meet the public demand for paper currency in consequence of your indents for notes not having been complied with?

16. If so, what reasons have been assigned for the refusal to comply with your indents?

17. What average value does the Government gold mohur bear in the bazaars in your neighbourhood?

18. What average value does the English sovereign bear in the bazaars in your neighbourhood?
19. What average value does the Australian sovereign bear in the bazaars in your neighbourhood?
20. Do you think that the coins above mentioned generally bear a higher value in Mofussil bazaars than in the presidency towns?
21. If so, what is the cause?
22. Are the people fond of gold for the purposes of hoarding and circulation?
23. Would the natives like a gold currency?
24. Are gold coins of fifteen, ten, and five rupees likely to find more favour in their eyes than notes of like value?
25. Would a gold currency help the establishment of a paper currency, gold being held as a reserve by traders and others, and the notes passing from hand to hand for circulation when people become accustomed to them?
26. Would a gold currency assist the outlying treasuries in ensuring the convertibility of the note?
27. What is the opinion of large shroffs and dealers on currency? Do they prefer a silver currency alone, or silver and paper as it at present exists, or silver, gold, and paper?
28. Does bar gold circulate in your neighbourhood? if so, how is its purity ensured?
29. Are Native gold mohurs much used by natives as means of currency in your neighbourhood?
30. State the names of the gold mohurs.
31. Do they pass for intrinsic value?
32. Or do they bear an artificial value according to their respective denominations, or as proceeding from certain Native States?

I have the honour to be, &c,

(Signed) DENZIL R. ONSLOW,
Secretary to the Commission.

The Treasury, Calcutta, February 16th, 1866.

No. 128 of 1866.

F. S. Chapman, Esq.,
Chief Secretary to Government,
Bombay.

Bombay, 12th May 1866.

Sir,—Referring to your letter No. 266 of 1866, dated 5th March last, handing copy of a circular from the Commission constituted under the orders of His Excellency the Governor General in Council for the purpose of inquiring into the operations of Act XIX. of 1861, to provide for a Government paper currency, and requesting this Chamber to favour the Commission with an expression of its views on the various points noted therein, I am now directed by the Committee of Management to forward herewith, for the information of His Excellency the Governor in Council, a copy of the replies by this Chamber to the questions contained in the circular above referred to, the original of which was forwarded direct to the Secretary of the Commission.

I have the honour to be, &c.,

(Signed) James Taylor,
Secretary.

No. 126 of 1866.

D. R. Onslow, Esq.,
Secretary to the Commission of Inquiry
Into the working of Act XIX. of 1861,
The Treasury, Calcutta.

Bombay, 8th May 1866.

Sir,—With reference to the circular issued by the Commission appointed by the Government of India for the purpose of inquiring into the operations of Act XIX. of 1861 "to provide for a Government paper currency," received by this Chamber through the Government of Bombay, I am now directed by the Committee of Management to hand

you herewith the answers given by the Bombay Chamber of Commerce to the questions contained in the circular referred to, in so far as these questions have a public bearing. Several of them, I am to observe, are of a special character, intended apparently for public servants in charge of treasuries, to which, of course, no answer from the Chamber could be given.

I have the honour to be, &c.

(Signed) JAMES TAYLOR,
Secretary.

REPLIES by the Bombay Chamber of Commerce to the questions contained in the circular from the Government of India on the working of Act XIX. of 1861, *providing for a Government Paper Currency.*

No. 1. They are in Bombay and its vicinity, and even as far as Poona they are passed readily, but, generally speaking, currency notes for trade purposes are not more readily convertible in the Mofussil than hoondies; they are only exchangeable at a discount, and then but for small amounts.

No. 2. The principal causes of depreciation are the want of treasuries where the notes can be converted into cash on presentation, the preference of the natives for rupees, and their inability to appreciate the convenience of a currency which does not in itself possess any inherent value.

The rate of discount on currency notes varies in different districts, and depends very much on the seasons.

No. 3. Beyond the centres of issue in the various circles, officers in charge of treasuries will only cash notes for travellers.

Nos. 4-9. These facilities are totally inadequate for the purposes of trade. Until the means of communication between the presidency towns and the centres of the trade throughout India are more perfect than is the case at present, the arrangement of circles seems the only practicable method of working a paper currency.

The circles should not be increased in number, but the establishment of offices of sub-issue at the chief local treasuries within each circle, where notes would be convertible on demand, would be the best means of extending the currency, and accustoming the people to its use.

A universal note would be a public advantage, but under present circumstances it is impracticable, and any premature attempt on the part of Government to introduce it would probably be attended with serious risk and loss.

The introduction of a note of the value of five rupees would be a great improvement on the present system; it would largely assist in extending a paper currency in the districts by permitting the use of notes in the payment of wages, and in the settlement of the small transactions of the great body of the people. A note of this denomination has been long used and with much success in Ceylon by the chartered banks, who find that these notes have a wider issue and remain longer in circulation than notes of greater value.

No. 10. Yes, they are largely used for this purpose.

No. 11. As a rule, this is no doubt the case, though there may be occasional exceptions.

No. 12. Yes, when they can purchase notes at a rate of discount that will give a profit on such operations.

No. 13. Yes, there is no doubt they do, and the inducements are the saving of bill stamps, and the note being payable on demand.

No. 17. As regards the Bombay Presidency, gold mohurs are not in circulation.

No. 18. The price of English sovereigns in Bombay varies from 10 rupees 2 annas to 10 rupees 4 annas, but they are in small demand, and are mainly required for the use of overland travellers. They are not in use in the Mofussil districts.

No. 19. The value of the Australian sovereign in the Bombay bazaars is generally ten rupees.

No. 20-21. The sovereigns, English and Australian, are generally sold in the Mofussil at a trifling premium: the risk in transit and other charges, besides the fact of their being mainly used in retail transactions, sufficiently accounts for this.

No. 22. They are certainly fond of gold for the purposes of hoarding and ornaments.

No. 23. The natives would undoubtedly like a gold currency, and have repeatedly expressed themselves this effect.

No. 24. There is no doubt that gold coins of the description mentioned would be preferred in the Mofussil.

No. 25-26. A gold coinage would undoubtedly assist the introduction of a paper currency, by enabling Government to extend the facilities of cashing notes at outlying treasuries.

No. 27. Shroffs and dealers would prefer to see a gold currency added to the present system.

No. 28. Bar gold circulates in Bombay and the Mofussil merely as an article of merchandise, and its purity is guaranteed by the stamps of the various banks which import it.

No. 29-32. Native gold mohurs are not current in this neighbourhood, and are rarely seen except as articles of curiosity.

(Signed) JAMES TAYLOR.
Secretary.

Bombay, Chamber of Commerce, 8th May 1866.

APPENDIX G.

WORKING OF THE INDO-EUROPEAN TELEGRAPH.

14, *Gresham Street, E. C., London,*
10*th November* 1865.

SIR,—I have been instructed by the Chairman of the Committee of the East India and China Association to inform you that soon after the meeting of Parliament a motion will be made for the appointment of a Select Committee "to inquire into the present system and working of the Telegraph Service in India, and in connection with that country and Europe; also as to our postal communication with the East, with especial reference to the desirability of having the mails despatched on a fixed day in every week, instead of being sent, as now, at irregular intervals."

As the body over whom you preside are deeply interested in the above questions, perhaps you will do me the favour to furnish me with any evidence you may be able to obtain to prove defects in the existing telegraph service, and as to the advantages which would arise from having the mails despatched with regularity once a week.

If you can supply me with such evidence you will greatly assist us to make out a case for the intervention of Parliament, and will much oblige the gentlemen on whose behalf I have taken the liberty of applying to you.

I am, &c.,
(Signed) J. RUSSELL.

To the PRESIDENT CHAMBER OF COMMERCE,
Bombay.

14, *Gresham Street, E. C., London,*
18*th November* 1865.

SIR,—I had the honour to write to you by the last mail, at the request of the Chairman of the Committee of the East India and China Association, informing you that a motion would be made early in the next session of Parliament for a Select Committee to inquire into the administration of the Indian Telegraph Service, and as to the expediency of establishing a regular weekly mail, instead of the present system of sending the mails at irregular intervals; and I took the liberty of asking you to forward me any evidence you could obtain showing defects in the existing Telegraph Service in India, or advantages that would arise from having a regular weekly mail.

It has since occurred to the gentlemen for whom I am acting that if you would also send a petition from your Chamber pointing out all the defects of which you are cognisant in the Indian Telegraph Service, and of the advantages that would accrue from the establishment of regular weekly mails, it would materially serve the cause in which the commercial community here and in India are so much interested. The petition should be addressed to the House of Commons, should be signed by yourself and the leading Members of your Chamber, and should conclude with a prayer for the appointment of a Select Committee to inquire into the present administration of the Telegraph Service in India and in connection with Europe, and as to the expediency of having a regular weekly mail established between this country and India.

If you can forward me such a petition at an early period you will essentially aid the intended application to Parliament.

I am, &c.,

(Signed) J. RUSSELL.

To the PRESIDENT CHAMBER OF COMMERCE,
Bombay.

No. 189 OF 1865.

Bombay, Chamber of Commerce, 19th December 1865.

GENTLEMEN,—It has been represented to the Chamber, by the Committee of the East India and China Association, London, in letters addressed to the Chairman, that a motion is to be made, soon after the meeting of Parliament in February next, for a Select Committee to inquire into the present administration of the Telegraph Service in India in connexion with Europe, and a request has at the same time been made for the aid of the Chamber in supplying evidence as to the working of the same.

I am accordingly directed by the Committee of Management to request the favour of your kindly supplying them with such information, according to the enclosed form, as from your own experience it may be in your power to give regarding the working of the Indo-European line during the past six months.

I have the honour to be, &c.,

(Signed) JAMES TAYLOR,
Secretary.

No. 196 OF 1865.

J. RUSSELL, Esq.,
East India and China Association,
14, Gresham Street, E. C., London.

Bombay, Chamber of Commerce, 28th December 1865.

SIR,—I have the honour, by direction of the Committee of the Chamber of Commerce, to acknowledge the receipt of your letters of the 10th and 18th ultimo, informing this Chamber, by request of the Committee of the East India and China Association, London, that a motion would be made early in the next session of Parliament for a Select Committee to inquire into the administration and working of the Indo-European Telegraph, and requesting its aid in supplying evidence to prove the defects of existing arrangements.

In reply I am directed to inform you that the defective working of the Indian and Indo-European Telegraphs have alike engaged the attention of this Chamber, and the defects of both have on various occasions been the subject of representations to Government.

It will afford the Committee of Management much pleasure to coöperate with the East India and China Association in placing evidence regarding the defective working of the Indo-European Telegraph before Parliament, and I am to inform you that the Committee have called upon the Members of the Chamber to furnish such evidence as it may be in their power to give, with the view to its being transmitted in due course, together with a petition addressed to the House of Commons on the subject.

Regarding weekly mail communication with India, I have to state that this important question had the attention of this Chamber nine months ago, when a memorial praying for the establishment of a weekly mail service between Bombay and England was forwarded to Her Majesty's Postmaster General through the local Government, copy of which I beg to enclose herewith.

The Committee will consider as to the necessity of following up this memorial by addressing another of similar purport to the Commons House of Parliament.

I am, &c.,
(Signed) JAMES TAYLOR,
Secretary.

No. 17 OF 1866.

WILLIAM GRAHAM, Esq., M. P.,
House of Commons, London.

Bombay, Chamber of Commerce, 27th January 1866.

SIR,—I have the honour, by direction of the Committee of Management of the Bombay Chamber of Commerce, to forward, in a separate packet to your address as above, a petition from the Chamber to the Honourable the Commons House of Parliament, signed by the Chairman on behalf of all the Members, and praying for inquiry into the management and working of the Indo-European line of telegraph.

This petition the Committee feel a special pleasure in intrusting to your care, as an old and valued Member of the body which they represent, and they will feel obliged by your taking charge of and presenting the same on an early and convenient opportunity.

The working of both the Indian and Indo-European lines of telegraph has occupied much of the attention of the Chamber, and the defects of both lines have been the subject of correspondence between the Chamber and the local Government. It was not the intention, however, of the Chamber to take farther proceedings, till the subject was specially brought to its notice in two communications received in December from a Mr. J. Russell, Secretary to the Mercantile Community Amendment Society, suggested by the Court of Management of the East India and China Association, London, stating that a motion for inquiry into the management of the Indo-European Telegraph was to be made early in the ensuing session of Parliament, and invoking the aid of the Chamber, with a request that it should petition Parliament in support of the movement.

The documentary evidence in support of the statements set forth in the Chamber's petition is forwarded to your address under two separate covers, together with printed copies of the petition, and you will of course use your discretion as to the disposal of the same, according to the resolution which may be arrived at by Parliament as to the granting of a Committee of Inquiry or otherwise.

I have also transmitted to your address by the present opportunity some sheets from the forthcoming Report of the Chamber (the Report in a complete form not being as yet out of the printer's hands) which will inform you as to the Chamber's proceedings in reference to the working of the telegraphs during the twelve months ending 30th September. A copy of the complete Report shall be transmitted to you when ready.

I have the honour to be, &c.,

(Signed) JAMES TAYLOR,
Secretary.

No. 15 of 1866.

To the Honourable the Commons of Great Britain and Ireland in Parliament Assembled.

The Petition of the Bombay Chamber of Commerce

Humbly Showeth—That your Petitioners are a body of merchants and bankers at Bombay associated for the protection and promotion of mercantile interests which are intimately allied with the best interests of England and India.

That your petitioners hailed with satisfaction the opening of a new and direct line of telegraphic communication between England and India, *viâ* Constantinople and the Persian Gulf, in March last, as an event of national importance, calculated to cement India and England in closer relationship, and to promote the common interests of both countries.

That your petitioners, after ten months' experience, regret having now to say that they have not merely been disappointed in the expectations which they had formed of the probable value of the new line of telegraph, but that their interests also have been injuriously affected by the very irregular and imperfect manner in which the line is worked.

That these irregularities have at times been of so serious a character as to intefere with the course of business, and cause to your petitioners serious loss.

That in a series of about fifteen hundred telegraphic messages received by various of your petitioners between May and December 1865, inclusive, some messages have taken fifty days in course of transit, many were above forty days, a large number over thirty days; while the average on the number of messages received by some firms is so high as seventeen days, the lowest average eight, the medium being as high as twelve days; and in numerous cases messages forwarded at a late date have been received before those despatched on an earlier one.

That the course of postal communication between England and Bombay, though by no means rapid, has outstripped communication by telegraph in numerous instances, and the

cost of all messages thus superseded has been so much money absolutely thrown away, no refund, so far as your petitioners are aware, being made by the telegraph authorities for money thus wasted on messages so long in course of transit as to be utterly useless when received.

That it is within the knowledge and experience of your petitioners that messages have been received at Bombay from England and the continent of Europe in less than forty-eight hours; that for a short time after the opening of the line messages were, and occasionally still are, received within three and four days from the date of despatch; and your petitioners know of no satisfactory reason why this promptitude in the transmission and the receipt of messages should not be the regular state of affairs, rather than being, as at present, rare and exceptional.

That the foregoing statement of facts illustrative of the working of the Indo-European Telegraph your petitioners are prepared to substantiate by documentary evidence, ready to be laid before any Committee of Inquiry it may please your Honourable House to appoint.

That the Indo-European Telegraph was made with money drawn from the public revenue of India, and is managed and maintained in working order at the public expense.

That according to an official return recently published in Bombay for the seven months from May to November 1865, inclusive, sixteen thousand four hundred and sixty-two messages passed to and fro on the line between India and England and the continent of Europe, of which only eighty-two were Government messages.

That the gross revenue derived from the transmission of these messages on the Mekran portion of the line was about fifty-one thousand five hundred pounds sterling, being at the rate of nearly an annual gross revenue of one hundred thousand pounds, and that from this return it appears that the line is mainly used for private and mercantile purposes, and the revenue almost entirely derived from these sources.

Your petitioners therefore humbly pray your Honourable House to direct that an inquiry be made into the management and working of the Indo-European Telegraph, in view to provide some efficient remedy for the defects of which

your petitioners have so much reason to complain, and so render this line the great benefit which under right management it ought to be to the public and commercial interests alike of England and India.

And your petitioners, as in duty bound, will ever pray.

In the name and on behalf of the Bombay Chamber of Commerce,

(Signed) A. J. HUNTER,
Chairman.

(Signed) JAMES TAYLOR,
Secretary.

Bombay, Chamber of Commerce, 25th January 1866.

No. 16 OF 1866.

F. S. CHAPMAN, Esq.,
Chief Secretary to Government,
Bombay.

Bombay, Chamber of Commerce, 25th January 1866.

SIR,—I have the honour, by direction of the Committee of Management of the Chamber of Commerce, to forward herewith, for the information of His Excellency the Governor in Council, eight printed copies of a petition from the Chamber to the Commons House of Parliament praying for a Committee of Inquiry into the management and working of the Indo-European Telegraph, which will be forwarded for presentation by the outgoing mail on the 29th instant.

I am further directed respectfully to request that you will do the Committee the favour to transmit copies of the petition to the Government of India, for the information of His Excellency the Viceroy and Governor General.

I have the honour to be, &c.,

(Signed) JAMES TAYLOR,
Secretary.

No. 18 OF 1866.

J. RUSSELL, Esq.,
14, Gresham Street, London, E. C.

Bombay, Chamber of Commerce, 27th January 1866.

SIR,—Referring to my letter of the 28th December, I have now the honour to inform you that a petition from the Bombay Chamber of Commerce to the Honourable the Commons House of Parliament, praying for an inquiry into the management and working of the Indo-European Telegraph, has this day been transmitted to William Graham, Esq., M. P. for the City of Glasgow (an old Member of this Chamber), for presentation on a fitting opportunity when the subject is brought under the notice of the House of Commons. By the same opportunity I have transmitted to Mr. Graham's address, House of Commons, the documentary evidence supplied by various Members of the Chamber, on which the facts set forth in the petition itself are based.

I have also forwarded to your address by the present opportunity printed copies of the petition, which the Committee of Management request you will do them the favour to distribute in such manner as may to you seem fit for the promotion of the object in view.

I am, &c.,

(Signed) JAMES TAYLOR,
Secretary.

No. 39 of 1866.

From Secretary Colonel W. F. Marriott,

To the Secretary to the Chamber of Commerce,

Bombay.

Bombay Castle, 12th February 1866.

Sir,—I have the honour to acknowledge the receipt of your letter No. 16, dated 25th January last, submitting copies of a petition from the Chamber to Parliament praying for a Committee of Inquiry into the management and working of the Indo-European Telegraph.

In reply I am directed to communicate, for the information of the Chamber, the accompanying copy of a Resolution passed by the Government on receipt of your letter, together with the extracts from Lieutenant Colonel Goldsmid's letter referred to in paragraph 2 thereof.

I have the honour to be, &c.,

(Signed) W. F. Marriott, Colonel,
Secretary to Government.

No. 39.

Indo-European Telegraph Department.

Petition, Parliamentary Inquiry.

Bombay Castle, 12th February 1866.

Letter from the Secretary to the Chamber of Commerce, No. 16, dated 25th January 1866.

Submits a petition from the Chamber to Parliament praying for a Committee of Inquiry into the management and working of the Indo-European Telegraph.

Resolution.—The petition will be forwarded to the Government of India.

At the same time extracts of Colonel Goldsmid's letter No. 90 of 4th November last will be sent to the Chamber of Commerce, to show the degree of control possessed by the English government, because the petition indicates a misapprehension as to the power and responsibility of the English government in the matter.

The principal delays have not been in the only portion of the Indo-European lines which are under the direct control of this government.

It will be pointed out to the Government of India that frequently a large portion of the delay in delivery of Indo-European telegrams occurs after they have reached Kurrachee, and that this delay is perfectly and easily preventible by ordinary improvement of the lines. The letter from the Director General of Telegraphs to the Government of India, No. 218 of 23rd December last, shows, however, where improvement is most needed, and thereon the Government of India has already directed that every possible measure should be used to advance the work to the utmost extent during the present working season.

(Signed) W. F. MARRIOTT, Colonel,
Secretary to Government.

Present condition and prospects of the Indo-European Telegraph.

Extract of a letter from Lieutenant Colonel F. J. GOLDSMID, Superintendent Indo-European Telegraph, to Secretary to Government, Bombay, dated Teheran, 4th November 1865.

Now let us examine the whole line and see piece by piece how it is composed, and under what control placed. We will next proceed to defects, causes, and means of amelioration, treating the subject generally and without unnecessary technicalities.

A message for despatch to India is given to a telegraph company, such as the Electric and International or Submarine. As a general rule Government has no connection

with the London telegraph offices, takes no part in a European Telegraphic Congress, and sends its own ordinary despatches much in the same way as those of a private individual. The Indo-European message does not, therefore, start from the Government hands at all.

In finding its way to India the telegram may take one of two great alternative lines, the Russian or the Turkish. I will not speak of the former at present, as it has been so little used, and, except for messages originating on the continent of Europe it is at present more or less in abeyance. By and by I will revert to the subject.

To reach Turkey, or rather Constantinople, there are many ways; perhaps the two principally used are through Vienna or Turin. The former transmits its despatches to destination by Servia, Wallachia, or such other route as may seem expedient. The latter, choosing the Italian coast line and cable across the lower Adriatic, seeks the Turkish capital by Salonica and the western shores of Marmora. The telegram may consequently be dealt with, more or less, by French, Belgium, Dutch, Prussian, Austrian, Bavarian, minor German, Italian, Servian, or Wallachian administrations before coming into the hands of the Turks at all. A common convention, whether it be of Brussels or Paris, binds the abovenamed *inter se*, but England has no part in the matter; and the European feeders of the Indo-European telegraph, unprotected, to my knowledge, as far as Constantinople by any special rules, are subject to continental usage and practice.

Once arrived at Constantinople, the India-going message comes under the *ægis* of a convention called the Indo-Ottoman. This provides it with an exclusive wire through Asia, regulates its tariff and so forth up to Fao, where a British staff awaits it for despatch by cable. But from Constantinople to Fao, or about one-third of the whole distance from London to Kurrachee, the administration is Turkish; and a convention in Asiatic Turkey is not like one in the heart of Europe. We may provide for the exclusive use of one out of two wires; the Turks may, in their anxiety to do well, set up a third, in some places a fourth, wire; but we cannot provide that the line shall be in working order, and the wires free from contact. We may ascertain, by inspection and inquiry, what is requisite, and advise the administration accordingly; but it is out of our power to control the

government of a foreign power as if it were our own. The telegram in Asiatic Turkey is therefore to a great extent at the mercy of unsystematic and unskilled superintendents and signallers, and a poorly qualified executive except in the lower grades, where there is activity and intelligence as well as good will.

Sometimes the telegram turns off from Bagdad, and makes its way, by the Turco-Persian frontier at Khanikeen, through Persia to Bushire. In this country there is a British Director and staff, whose control is so far exercised that a message may be said commonly to traverse the eleven hundred miles of telegraph now set up in about one hour. But the local government is disinclined to delegate its authority over line guards to the English officers who direct the working of their Indo-European telegraph; consequently, there are occasional interruptions through breakage, and the posts are not always of sufficient strength, or examined and renewed with sufficient attention. Majors Champion and Smith, Lieutenants Pierson and St. John (Royal Engineers), and Mr. H. V. Walton deserve all credit for the generally excellent order of the Persian telegraph; and it is but common justice to them and their assistants that the public should be made aware how little of the delay in Indian telegraphic correspondence can be laid to the transit by Teheran. Had the average speed in Persia been the rule throughout the line, messages between London and Kurrachee could pass in about five hours. But this telegraph is not ours; it is an affair of the Persian government, and, though worked under the authority of a temporary convention, the cost of establishment is paid by England, without return whatever except the additional security and development of her cable traffic in the Gulf and Arabian Sea.

From Fao to Kurrachee, as also from Bushire to Kurrachee, then, we have the only section of the whole line exclusively under Government control, and for which Government and its officers are directly responsible to the public. It is submarine, and therefore, however costly, needs no provision for daily watching; but a special steamer keeps guard over its well-being at Kurrachee, the cable stations at Gwadur, Mussendom, Bushire, and Fao are supplied with efficient establishments, and the Director at Kurrachee has his own particular staff. With the exception of two or three interruptions in traffic, owing to breaks in the cable, this

line has worked admirably, and has realised good returns. The Indian public are well acquainted with the zeal and earnestness of Mr. Walton in managing his section, but in comparing it with other portions of the whole line they must bear in mind that it presents no difficulties with which he cannot bring his own and his assistants' energies directly to contend.

No. 70 of 1866.

To the Honourable Colonel W. F. Marriott,
Secretary to Government, Bombay.

Sir,—I have the honour to acknowledge the receipt of your letter No. 39 of 1866, dated 12th ultimo, transmitting copy of a Resolution passed by Government in reference to the Chamber's petition to Parliament praying for inquiry into the management and working of the Indo-European Telegraph, together with extracts from Colonel Goldsmid's letter dated 4th November last, forwarded to show the degree of control possessed by the English government, on which point the petition of the Chamber, according to the opinion expressed in the Resolution, "indicates a misapprehension as to the power and responsibility of the English government in the matter."

2. In reply I am directed by the Committee of Management respectfully to express their acknowledgments to Government for drawing their attention to Colonel Goldsmid's able and informing despatch, which has been read by the Committee with much interest.

3. Regarding the Chamber's petition, I am to observe that it was not considered to be either necessary or expedient to discuss therein points of detail as to the responsibility of any particular government, but the Chamber was under no misapprehension as to what it believes to be the responsibility of the British government, alike in reference to the establishment, and, to a certain extent, the right management of the Indo-European Telegraph; and the

despatch of Colonel Goldsmid, to which the Chamber is referred for information, simply bears out the view on which it has been constrained to take action in the manner referred to.

4. What has hitherto been only matter of surmise is now proved, by the full and clear statements contained in Colonel Goldsmid's letter, to be matter of fact, that from London to Constantinople the arrangements for the transmission of messages partake largely of a haphazard character, and are left very much to chance; that from Constantinople to Fao we have a convention with the Turkish government, which, on the same evidence, works imperfectly; and that the submarine cable between Fao and Kurrachee is the only portion of the line on which reliance can be placed.

5. The Committee respectfully submit, it seems hardly a wise course on the part of the Home government to have expended so large a sum of public money on a submarine cable from Kurrachee to the head of the Persian Gulf, with the view of connecting India and England by direct telegraphic communication, and then to leave the connecting communication (over more than half the entire distance) pretty much to take care of itself.

6. This is no exaggerated view of the actual position of affairs. Government is fortunate in being able to place so valuable a public servant as Colonel Goldsmid in the important office of Superintendent of the line in Asia, and he reports most favourably of the efficiency of the officers who work under him; but it is evident all his representations and remonstrances with the Turks are treated with indifference, and that improvement in the management of the Turkish portion of the line is nearly hopeless unless the direct influence of the British government is brought to bear on that of the Turks with more force, in aid of the measures of the Superintendent, than appears to be the case at present.

7. It is not easy to understand why the Home government has never acted on a very obvious suggestion, which has repeatedly been made, viz., to arrange with the continental governments through whose dominions messages pass for a line between London and Constantinople specially for the use of telegrams between England and India.

8. Unless some such arrangement is made, and a better organisation effected for the management of the Turkish-Asiatic line than at present exists, neither the mercantile community nor the public generally can have any confidence that their messages will be transmitted with accuracy, regularity, and speed.

9. The Committee would most respectfully suggest that an agent of Government should be appointed in London to receive and forward messages by the continental route known at the time to be in the best working order: an arrangement of this kind would most probably secure the receipt of messages in India in the order of rotation in which they would be received at and despatched from the London office, and so have the effect of removing one of the evils most seriously complained of by merchants and the public in the present working of the Indo-European Telegraph.

I have the honour to be, &c.,

(Signed) JAMES TAYLOR, Secretary.

Bombay, Chamber of Commerce, 7th March 1866.

No. 81 OF 1866.

WILLIAM GRAHAM, Esq., M.P.,
House of Commons, London.

Bombay, 13th March 1866.

SIR,—Referring to my former letter on the subject of the defective working of the Indo-European Telegraph, and the Chamber's petition praying for a Parliamentary inquiry, the Chamber is glad to learn, from intelligence received here a few days ago by telegraph, that such an inquiry has been ordered by the House of Commons.

Meantime the Committee of Management direct me to transmit to you the accompanying copies of a letter from the Chamber to the local Government, in reference to a Resolution passed by the Government on the Chamber's

petition, to the effect that it implied misapprehension of the responsibility of the British government in the matter, with a view to the letter being placed before the Committee of Inquiry should you consider it expedient. I have further the pleasure to advise you that I have transmitted to your address by the present mail a complete copy of the Chamber's Report for 1864-65, which has just passed through the press, though the copies are not yet ready for distribution amongst the Members, nor for transmission to the public bodies in England to whom we are in the habit of sending them.

I have the honour to be, &c.,

(Signed) JAMES TAYLOR,
Secretary.

No. 169 of 1866.

To the SECRETARY TO GOVERNMENT,
Telegraph Department, Bombay.

Bombay, 16th July 1866.

SIR,—The attention of the Committee of Management of the Chamber of Commerce has been directed to a statement that has appeared in the newspapers (*vide* "Times of India," July 10th) to the effect that messages for Great Britain will not be received at the telegraph office for transmission *viâ* Diarbekir and Alexandria, and that orders to this effect have been given by the Director of the Indian Telegraph. It is further stated that the Turkish government has prohibited the transmission of messages to or from Great Britain by the line referred to.

For these statements the Chamber has no better authority than the paragraphs on the subject which appeared in the local papers, but the Committee have reason to believe the reports are substantially correct, as they have been otherwise informed that messages cannot be sent from London *viâ* Alexandria and Diarbekir, though it may be managed through the medium of an agent at Alexandria. In these circumstances I am directed respectfully to inquire

whether the Bombay Government is in a position to inform the Chamber as to the truth or otherwise of these reports, and, in the event of their being substantially true, to be kind enough to inform the Chamber on what grounds the Director General of the Indian Telegraph has prohibited the receipt of telegrams for transmission *viâ* Diarbekir and Alexandria, and the Turkish government refused to send them.

It is of the utmost importance at the present moment, when intelligence from Great Britain or Continental Europe is so anxiously looked for, that no official impediment should be permitted to stand in the way of telegraphic communication between India and England—by an alternative route, when the one usually employed is working with so much irregularity as happens to be the case with the Indo-European line *viâ* Constantinople at the present moment. Trusting to be favoured with an early reply,

I have the honour to be, &c.,
(Signed) JAMES TAYLOR,
Secretary.

No. 1569 OF 1866.

GENERAL DEPARTMENT.

To JAMES TAYLOR, Esq.,
Secretary to the Bombay Chamber of Commerce.

Bombay Castle, 11th August 1866.

SIR,—In reply to your letter* dated the 16th ultimo, I am directed by His Excellency the Governor in Council to inform you that the only information received by this government regarding the particular route by which messages would be transmitted to Europe is that conveyed in the paper which was published at pages 295 and 296 of the *Government Gazette* of 2nd August 1866.

* Inquiring whether there is truth in the statement in the *Times of India*, of 10th July, that messages for Great Britain will not be received at the Telegraph Office for transmission *via* Diarbekir and Alexandria, &c. &c.

I have the honour to be, &c.,
(Signed) J. KING,
Acting Under Secretary to Government.

PUBLICATION OF LATEST DATES OF TELEGRAMS.

No. 14 of 1866.

To the Superintendent of the Electric Telegraph,
Bombay.

Bombay, Chamber of Commerce, 24th January 1866.

Sir,—In reference to an announcement which appears this morning in the Bombay daily papers, made on the authority of your department, to the effect that up to 8 P.M. last night the latest date from England by the Indo-European Telegraph was the 17th instant, I am directed by the Committee of the Chamber of Commerce to point out that a telegram dated the 18th instant was delivered at the office of one of the Members of Committee at 5-30 P.M. yesterday afternoon, so that the announcement which appeared in the papers this morning must be inaccurate.

The object of the Committee in drawing your attention to this matter is to point out the importance of these daily announcements being in accordance with the actual facts.

At present they are regarded as authoritative in respect to the dates of the latest Indo-European telegrams received in Bombay, and are of service in checking rumours regarding the supposed state of markets at home which are often circulated in the bazaar, to the injury of trade, on a pretended receipt of late telegrams which had no existence.

Should it, however, become known that telegrams are occasionally received of a later date than that mentioned in the official announcements from your department, confidence in their accuracy would be destroyed, and there would soon follow an aggravation of the evil referred to, which hitherto these announcements have usefully tended to alleviate.

I have the honour to be, &c.,

(Signed) James Taylor,
Secretary.

No. 2743 of 1866.

GOVERNMENT TELEGRAPH DEPARTMENT.

Superintendent's Office, Bombay Circle,

Dated 26th January 1866.

To the SECRETARY TO THE CHAMBER OF COMMERCE.

(Reply to his letter dated 24th January 1866.)

SIR,—Replying to the above letter, I regret to state, upon examination of the message drafts of the 23rd instant, I find the information sent out to the press was incorrect, and that messages had been received from London dated the 18th January. I am so fully aware of the importance of publishing the correct dates of messages received by the Indo-European line, that false rumours regarding the supposed state of the market may be checked, that I have reduced the Deputy Assistant on duty at the time in the Signal Office for such a gross pieces of carelessness in sending out the noon instead of the 8 P.M. report of latest dates of messages received.

I have the honour to be, &c.,

(Signed) H. WICKHAM,
Supt. Govt. Telegraph Dept., Bombay Circle.

No. 36 of 1866.

To H. WICKHAM, Esq.,
Superintendent of Telegraphs, Bombay.

Bombay, Chamber of Commerce, 17th February 1866.

SIR,—I have to acknowledge the receipt of your letter of 26th ultimo, and in reply I am directed by the Committee of Management of the Chamber of Commerce to express their thanks for the prompt manner in which you dealt with the subject referred to in my letter of the 24th idem.

I have the honour to be, &c.,

(Signed) JAMES TAYLOR,
Secretary.

No. 166 of 1866.

To the Superintendent of the Electric Telegraph,
Bombay.

Bombay, 16th May 1866.

Sir,—With reference to the letter which I had the honour of addressing to you dated 24th January last, on the subject of discrepancies between the dates given in the newspapers on data from your office as to the latest telegrams received and the dates of the telegrams themselves as received by private firms and sometimes published in the papers, and your letter of 26th idem in reply, I am directed by the Committee of Management of the Chamber of Commerce to call your attention to the circumstance of a telegram having been published on Saturday evening, the 14th instant, in the *Bombay Saturday Review* of that date, and republished in both the daily papers this morning, purporting to have been transmitted from Liverpool on the 14th instant, while according to the notice received from the Telegraph Office, as published in the *Times of India* of this morning, up to 8 P. M. last night the latest date received from Great Britain was to the 9th idem.

After what was stated in my letter of the 24th January on the importance of the daily announcements from the Telegraph Office being in conformity with actual facts, it is unnecessary to dwell further upon it, as in the reply received to that letter you appeared to appreciate thoroughly the importance of the point in question.

The object of the Committee in calling your attention to the discrepancy above referred to is to ascertain whether a telegram of 10th had been received at the Telegraph Office on Saturday the 14th instant, or whether there has been some mistake in the matter.

I have the honour to be, &c.,

(Signed) James Taylor,
Secretary.

No. 1274.

From the SUPERINTENDENT OF TELEGRAPHS, Bombay Division,

To the SECRETARY TO THE CHAMBER OF COMMERCE,
Bombay.

Bombay, 18th July 1866.

SIR,—In reply to your letter of the 16th instant, I have the honour to inform you that the notices pubished by the Bombay Signal Office of the latest dates from Great Britain and the continent of Europe were quite correct. The telegram you refer to was one of the 11th instant, from "Alexandria *viâ* Diarbekir," containing Liverpool news of the day previous.

I have the honour to be, &c.,

B. C. BAILEY,
Superintendent of Telegraphs, Bombay Division.

No. 172 OF 1866.

To the SUPERINTENDENT OF TELEGRAPHS, Bombay Division,
Bombay.

Bombay, 28th July 1866.

SIR,—I am directed by the Committee of Management of the Chamber of Commerce to acknowledge the receipt of your letter of the 18th instant, intimating, in answer to my letter of the 16th idem, that the latest dates from Great Britain and the continent of Europe, as published by the Bombay Signal Office, were correct, and that the telegram of the 11th July, giving news from England of the previous day, came from Alexandria *viâ* Diarbekir.

In reply I am directed by the Committee to state that it is of the greatest importance that the latest dates from England and the continent of Europe should always be given at the Signal Office, by whatever route the telegram may be received, whether *viâ* Alexandria, Constantinople, or Russia, and they trust you will be kind enough to order that this should be carefully done in future.

I have the honour to be, &c.,

(Signed) JAMES TAYLOR,
Secretary.

No. 1478.

From the SUPERINTENDENT OF TELEGRAPHS, Bombay Division,

To the SECRETARY TO THE CHAMBER OF COMMERCE,
Bombay.

Bombay, 1st August 1866.

SIR,—In reply to your letter of the 28th ultimo, I beg to inform you that I have given instructions for the latest dates of messages from Alexandria and Suez to be entered in the daily report, but I cannot publish any information as to the dates of the news those messages may contain. For example, if a message despatched from Alexandria on the 30th contains London news of the evening previous, the office here will notify only that the latest date from Alexandria is the 30th.

I have the honour to be, &c.,

(Signed) B. C. BAILEY,
Superintendent of Telegraphs, Bombay Division.

APPENDIX H.

COTTON CULTIVATION.

No. 4854 of 1865.

Revenue Department.

To the Secretary to the Chamber of Commerce,
Bombay.

Bombay Castle, 30th November 1865.

Sir,—I am directed by His Excellency the Governor in Council to forward, for the information of the Chamber of Commerce, two printed copies of the Extract from the Proceedings of Government in this Department No. 4853 dated 30th instant, relative to the cultivation of Berar cotton in Khandeish.

I have the honour to be, &c.,

H. Birdwood,
Under Secretary to Government.

No. 4853.

Extract from the Proceedings of the Government of Bombay in the Revenue Department dated 30th November 1865.

Read the following papers :—

Letter from L. R. Ashburner, Esq., Collector of Khandeish, to A. Rogers, Esq., Revenue Commissioner N.D., No. 1953 dated 25th October 1865.

You are no doubt aware that the indigenous cotton of Khandeish is of very inferior quality; it is grown on a stunted bush only a few inches high; the staple is so short that it is difficult, if not impossible, to gin it, and the cotton is harsh and woolly. Its market value is usually Rs. 100 or more less than that of the cotton grown in the adjoining province of Berar. Even this value is a fictitious one. An amendment of the Cotton Frauds Act which would enable the local officers to punish adulteration would almost drive Khandeish cotton from the market. At present it is chiefly used to adulterate Berar and Guzerat cotton, and large quantities are exported to Berar and to Guzerat, through the Kondai Baree, for this purpose.

2. During the past season the sudden fall in the price of cotton rendered a large proportion of the Khandeish crop unsaleable. It would not pay the expense of export even when sold as "Akote" or "prime Surat," and it was left upon the ryots' hands. Advantage was taken of this circumstance to introduce a superior variety of cotton. Early in January circulars were sent round the cotton districts calling on the ryots to state how much Berar cotton seed they would purchase in the event of its being imported for them. When all the returns were received, it appeared that the cultivators had demanded nearly 50,000 Bengal maunds of seed. The difficulties of importing and distributing this large quantity of seed in a country without roads, with every available labourer and cart already fully employed, were very great, and had it not been for Mr. Hewett's indomitable energy would have been insurmountable. He, however, undertook the task at my request, and, aided by the Mamlutdars and Sub-Inspectors, has carried it out in a most complete and satisfactory manner. I beg

to enclose his Report on this subject. Mr. Hewett enters into the fullest details of the importance of the measure and its results. He shows that sufficient seed has been imported to sow 246,000 acres of land. Allowing 12 lb. of seed per acre, his is a large average. I believe from 7 to 10 lb. of seed is sufficient for an acre in ordinary Khandeish soils, but, as a small quantity of seed remains unsold, Mr. Hewett's estimate is perhaps as nearly as possible correct.

3. Under exceptional circumstances, the area of land under cotton cultivation last year reached 465,000 acres, but comparing the present crop from the new seed with the extent of land cultivated in 1863-64, viz., 354,000 acres, it will be seen that the Berar seed has superseded 69 per cent. of the indigenous cotton of Khandeish, and next season it is probable not an acre will be sown with old Khandeish seed. Allowing 150 lb. of "kuppas" as the produce per acre, the Berar cotton crop of Khandeish will this year amount to 461,250 maunds, or, taking one-third of this as the out-turn of clean cotton, 7,687½ candies of 1,640 lb. At the present market rates of Rs. 460 per candy (of 784 lb.), this will sell for Rs. 74,01,883; the same quantity of Khandeish cotton would only fetch Rs. 49,88,225; so that the introduction of Berar seed will place Rs. 24,13,658 in the hands of the Khandeish ryots in excess of what they would have received from the indigenous crop.

4. Nothing can be more favourable than the present appearance of the new Khandeish Berar crop: it has had a favourable season, and is growing with every prospect of yielding a large outturn.

5. By the Resolution of Government as per margin, Government sanctioned an expenditure from the Cotton Fraud Fund for the introduction of Berar seed, but it will be seen from the above that the wishes of Government were anticipated. If the importation of seed had only been commenced on the receipt of the Resolution at the end of May, little if any seed could have reached Khandeish in time for the sowing of this season. The Berar seed has been introduced without the expenditure of a single rupee from the Improvement or any other State fund. I have therefore much pleasure in supporting Mr. Hewett's suggestion to distribute Rs. 2,000 in rewards to those who have so successfully completed this

No. 2162 of 20th May 1865.

very arduous undertaking. I think Mr. Hewett's own services are such as to entitle him to the very favourable consideration of Government. Without his assistance the measure could not have been successfully carried out. I beg, therefore, that I may be allowed to present him with Rs. 1,000 as a reward for his very valuable services on this occasion.

Letter from P. W. HEWETT, Esq., District Cotton Inspector, to L. R. Ashburner, Esq., Collector of Khandeish, No. 57, dated 5th October 1865.

I now do myself the honour to submit a Report on the introduction of Berar cotton seed into this province, and which, as you are aware, has this past season been sown throughout the district, entirely superseding the use of the local mixed varieties, the lamentably deteriorated produce from which has for years past scarcely held any value in the market.

2. This introduction of a superior and pure seed, I would respectfully observe, cannot be looked upon as any trifling experiment. It takes a far wider and more important scope. It has come about by the spontaneous action of the whole of the cultivators of the district, who have, infinitely and entirely to their credit be it said, by one unanimous resolve, without any extraneous pecuniary grant or aid, enabled so vast a measure being completely carried out. Viewed as an earnest endeavour towards improvement, it stands unrivalled in the history of cotton culture in this country.

3. As the measure was of their own seeking, so too was the choice of seed left to themselves. They elected Akote and Kamgaum. The cotton from this neighbourhood is always quoted in the Bombay market, and obtains nearly double the price over the wretched produce of this district.

4. Of course, the chief consideration, the great anxiety of the whole question, has been, How will Berar seed take in the Khandeish soil? But nothing, on the other hand, could have been worse than the existing state of the quality of the staple here. Nothing more clearly demonstrated to the ryot the absolute necessity of some ready and complete remedy than the fact that much of his last season's cotton remained unsold on his hands—nay, more, in some

instances, from the very low prices obtaining, fields upon fields were left unpicked, and only cleared by the abandonment of half the produce to the labourers! Could a more convincing proof have been desired? There was therefore scarcely an alternative left to the cultivator, if he still wished to grow cotton as a remunerative crop, but to seek the remedy he did in a change of seed.

5. This has now, happily, been effected completely and successfully. The present Report, purposely delayed, enables me to afford the best information on the vital question raised in the preceding paragraph, as to the success or otherwise of the new seed. More promising crops could not have been expected: the plant has come up vigorously, attaining considerable height, luxuriant in foliage, and already in blossom. The hopes of the ryot have set all doubts aside, and if a few later seasonable showers fall it will tend greatly towards yielding a rich harvest. The venture, therefore, so far may be regarded, beyond our most sanguine expectations, as a complete success.

6. The magnitude and difficulties of the undertaking may fairly claim a passing notice here. These will be better understood and appreciated when I say that nigh fifty thousand maunds (Bengal) were estimated for, requiring five thousand carts for conveyance to Sheagaum to the railway, five hundred waggons to run it down to stations along the line, then re-cartage to nineteen talookas, thence to hundreds of villages, and, lastly, the issue individually to thousands of ryots. All this had to be done within limited time, requiring combination of arrangement and movement, and but for the energy displayed by Mamlutdars, and the willing coöperation of Patels and villagers, the undertaking could not have approached the complete success which has attended it. I have not noticed the labour in bagging, weighing, loading, &c., not the least part of their vigilance and exertions.

7. I append a statement of the estimate from each talooka, and further on will submit for your approval and recommendation the grant of rewards to all who have so materially assisted in carrying out these extensive operations.

8. To make a rough calculation from the estimated quantity of seed, so as to arrive at the probable area sown this season in Khandeish, I will take 12 lb. of seed as the

average quantity to a beega. In round numbers the estimate gives us 2,400 candies of 1,640 lb., or equal to 3,936,000 lb., which divided by 12 leaves 328,000 beegas, or 246,000 acres. To follow up a further approximate calculation as to the probable yield of cotton (uncleaned), we may take as the average about two Bengal maunds, or 164 lb., per beega, which would give us of "kuppas" 646,000 maunds, equal to 215,000 maunds of cleaned cotton.

9. I will now show from the above the pecuniary advantages which will accrue to this province and its cotton cultivators. I take the present ruling rates, as quoted in the market, between Khandeish and Akote cotton; but, to be strictly within the limits of assumption, we will fix the difference of price at only one-third in favour of the latter. If the amount of cleaned cotton be reduced into candies, we have 10,750 candies. The rates at present are—Akote 345 rupees per candy and Khandeish 240. By multiplying, then, 10,750 candies by the difference of 100 in favour of the new cotton now in crop from the Akote seed (and there is no doubt, as far as can be reasonably judged, why the staple here should not be quite as equal as in its native soil), we obtain 10,75,000 rupees as the excess amount which will be paid into the province among the cotton cultivators by their introduction of this new seed. Lest it may be doubted whether this can really be so for the cultivators, I would mention that the difference between Bombay and Khandeish market prices ranges from five to ten rupees only. Besides, it is the original source of supply which regulates rise and fall of price. If the Khandeish ryot has hitherto been able to dispose of his inferior produce at, say, 150 rupees a candy, he is sure to demand the higher rate, and must get it too. The cotton from his district goes to Bombay cheaper than from anywhere else in the interior.

10. Perhaps it would not be out of place here if I offered a few observations on the contrast to be drawn from the extent of cotton cultivation between the present and past two years. In 1863-64 your return gave 472,000 odd beegas; in 1864-65 it shows a rise to 620,000 odd beegas. In the present season, based on my calculation, as shown in paragraph 8, we have 328,000 beegas. I observe, too, in the return first quoted, that for 1862-63 the cultivation amounted to 362,000 odd beegas. The present, therefore, has the least area afforded to the cultivation of cotton out of

the four past seasons, wherein the value of cotton has had such a memorable rise and fall. The lesson taught the cultivators and dealers has been a severe trial, not less so than the share market experienced in Bombay. With the coming terrible 1st of July 1865 the cultivators found the produce of their extreme limit of 620,000 beegas of 1864-65 mostly thrown on their hands. The extreme limit of preference given so blindly to cotton had indeed even far exceeded the bounds of labour obtainable only at prohibitory rates. The rash speculator in shares scarcely did worse than agents who rushed about villages offering and giving cash or bonds for produce of unsown fields, quite regardless of the quality or condition of the staple, as detrimental to the prospects of any improvement in cotton as it has proved to the interests of growers, who were driven into an extent of cultivation entirely beyond their powers to do so with any care or attention, or the most remote hope of recovering the full yields from fields.

11. From the above observations I would desire to show that the best may now be expected in the results to be obtained from the lesser area given this season to the cultivation of cotton. The extent is well within the means of management and of obtainable labour; the seed is changed for a better kind; the crops promise us full yields of a superior staple; and lastly, prices are advancing.

12. If, as I trust, this Report will so far be deemed satisfactory, I would further hope it will enable your fully meeting the Resolution of Government, No. 2139, Revenue Department, dated the 19th May last, with reference to Mr. J. Fleming's views suggesting to Government the necessity of the introducing of Berar cotton seed into this province as an experiment. In the above Resolution Government desire your report on Mr. Fleming's views, "and of any possible means of giving effect to them." In another and later Resolution, No. 2163, dated the 20th May 1865, paragraph 3, Government further support the measure more directly by sanctioning a grant from the Cotton Improvement Fund. This proffered assistance, commendable in itself, has, happily, not been required. Even had it been, it would scarcely (intended simply towards an experiment, I presume) have been adequate to meet the purchase and importation of so large a quantity as the demands of the whole province required and necessitated. Your own more able Report will,

I feel sanguine, obtain the fullest acknowledgments from Government and all interested in the cotton trade. It will be gratifying, too, to Mr. Fleming to find his suggested remedy an established fact, and to an extent far beyond his anticipations.

13. I would now refer to a Report of the Directors of the Chamber of Commerce read at the Annual General Meeting held on the 26th ultimo. Under the heading "Improvement of Cotton Cultivation" the following remarks occur:—"It is to be regretted that in the energy displayed in making experiments in various ways nothing appears to be doing for the improvement of the cultivation of the indigenous varieties. It is to be feared that in this, perhaps the most important branch of the question we have not merely not progressed, we have sadly retrograded." The Chamber must have overlooked that portion of Mr. Bulkley's first Annual Report wherein he refers to the Report submitted by me of this district, in which I had gone fully into the then contemplated introduction of Berar seed, as was then, and had been for some time back, under your consideration, Moreover, my Report was published in full. I consider it a duty, due as much to yourself as to those under your administration, to notice the injustice of the Chamber's remarks as far as the endeavours and attention paid towards the improvement of cotton in Khandeish has been shown to have been attempted and achieved.

14. I will now conclude this Report by soliciting your recommendation to the grant of a reward of Rs. 500 to the Sub-Inspectors who lent me so much assistance, remaining by their posts even after their appointments ceased, which are only for eight months of the year. Also for the grant of a reward of Rs. 1,000 to be divided among the Mamlutdars, especially some who have had much extra work thrown on their hands. They materially assisted in carrying out and seeing to the conveyance and issue of the seed. This distribution to Mamlutdars would of course be, under your approval, as to the merits of each. I would further, on the same grounds, beg the Koolkurnees may not be forgotten. On these subordinate officers rested the responsibility of conveying correct returns of the innumerable cultivators' estimates, and of subsequently attending to the distribution of the seed—no easy task; and there has not been a single

complaint to my knowledge. Five hundred rupees I would ask on their account, to be awarded by the Mamlutdars.

15. In all the grant would amount to Rs. 2,000. Considering the magnitude of the undertaking, its complete success, and when Government were already prepared to advance the object in view by a grant from the Cotton Fund, I trust what I have solicited will meet with approval and sanction.

16. As for any service I may have been of in helping to see your wishes and instructions met, I must leave you to judge. I have been put to no little extra expense, having to visit Berar twice, being constantly on the line to see the despatch of seed from stations, often up night after night, and with scarcely any rest, when I had my own duties to perform besides. I visited Berar at considerable risk when cholera threatened to stop our operations, and remained to cheer on the contractor's establishments. The above are some of the considerations I would urge on your notice in behalf of myself.

A copy of this Report will be forwarded to the Acting Inspector-in-Chief Cotton Department.

Statement showing the name of each Talooka estimated for the Cotton Seed.

No.	Name of Talooka.	Estimated for the Cotton Seed.		
		Candies.	Maunds.	Seers.
1	Dhoolia	182	14	33
2	Amulnair	226	5	30
3	Burgaum	195	6	36
4	Chalisgaum	109	...	31½
5	Pimpulnair	11	0	27
6	Nundoorbar	17	8	9
7	Vurda	110	8	5
8	Sooltanpoor	19	4	23½
9	Chopra	163	1	20
10	Sowda	120	12	4
11	Raweir	29	7	15
12	Nusseerabad	157	14	34
13	Jamnair	475	16	16
14	Wurrungaum	68	14	24½
15	Erundole	293	...	...
16	Lohara	178	5	4
17	Malligaum	20	...	...
18	Baglan	3	4	8
19	Thalnair	31	10	26
		2,413	5	26½

P. W. HEWETT,
Cotton Inspector, Khandeish.

Camp Dhoolia, 13th September 1865.

Memorandum by A. Rogers, Esq., Revenue Commissioner N. D., No. 3863, dated 7th November 1865.

This Report is forwarded to Government, with a recommendation that it be communicated to the Chamber of

Commerce and placed in the Editors' Room. The Revenue Commissioner is sure that His Excellency in Council will peruse it with much satisfaction, as a record of what can sometimes be done for the natives of this country by the well-timed action of one or two energetic men who have the sense to seize the favourable moment when, awakened by some chance impulse to what is for their own benefit, the people are prepared to take a step forward in the path of intelligent improvement. If the crop raised fron the Berar cotton seed in Khandeish should turn out nearly as well as the Collector's and Mr. Hewett's Reports lead the Revenue Commissioner to anticipate, the influx of money into the province that will be the natural consequence will bring about nothing short of a peaceful social revolution among its inhabitants, alike beneficial to themselves and to the State; and to no more legitimate use could the Cotton Improvement Fund be put than in the bestowal of the moderate rewards recommended by Mr. Ashburner for those who have exerted themselves in the laudable manner reported. This memorandum will be forwarded through the Inspector-in-Chief in the Cotton Department, with a view to his informing Government whether he has any objection to the expenditure of the sums proposed out of the balance of the fund in hand.

Memorandum by Major C. Walker, Acting Inspector-in-Chief Cotton Department, dated 12th November 1865.

In forwarding the accompanying correspondence the Acting Inspector-in-Chief has the honour to state that he can scarcely imagine a more proper way of expending a part of the Cotton Improvement Fund than in granting the rewards solicited for those who have, as above shown, been mainly instrumental in substituting Berar cotton in Khandeish for the very worthless staple hitherto grown in the district.

Resolution.—His Excellency the Governor in Council considers the highest credit is due to Mr. Ashburner and Mr. Hewett, and to the Native officials associated with them, for carrying out this important experiment in so extensive and successful a manner.

2. The introduction of Berar seed cannot fail to exercise a very perceptible effect on the purity of the staple exported from Khandeish. The proposed rewards of Rs. 1,000 to Mr. Hewett and Rs. 2,000 to the Mamlutdars and other Native officials are sanctioned, the expenditure being charged to Revenue Charges Extraordinary, and not to the Cotton Fund, the application of which is restricted by law. His Excellency the Governor in Council would suggest to the Collector the expediency of giving to the Mamlutdars and village officers shawls or turbans, or some other lasting present, in lieu of money.

3. His Excellency in Council authorises a repetition of the experiment by Mr. Ashburner, and by any of the other Collectors who may be able to adopt the plan he has tried so successfully, of introducing seed of an indigenous variety superior to that in ordinary use.

4. These papers should be printed, and placed on the Editors' Table. Copies should also be sent to the Chamber of Commerce and the Manchester Cotton Supply Association.

(Signed) H. BIRDWOOD,
Under Secretary to Government.

No. 188 OF 1865.

To the CHIEF SECRETARY TO GOVERNMENT,
Bombay.

Bombay, Chamber of Commerce, 14th December 1865.

SIR,—I am directed by the Committee of the Chamber of Commerce to acknowledge the receipt of Mr. Under Secretary Birdwood's letter No. 4854 of 1865, dated 30th ultimo, handing two printed copies of an Extract from the Proceedings of Government in the Revenue Department relative to the cultivation of Berar cotton in Khandeish.

In reference to these proceedings, I am to state for the information of His Excellency the Governor in Council that the Committee have perused with much satisfaction the interesting Reports of Mr. Ashburner and Mr. Hewett,

detailing the various steps taken by them for the improvement of cotton cultivation in Khandeish, by the introduction, with the full consent of the ryots, of the use of Berar seed.

The Chamber has had samples submitted to it of the new Khandeish Berar cotton, and judging from these the Committee are of opinion that this experiment is one of the most important that has yet been made: should it prove to be permanent in its character, which there seems no reason to doubt, it promises to supersede the poorest variety of the indigenous cotton of this presidency by a new variety that will henceforth entitle the cotton of Khandeish to rank with the best. The Committee desire to express through Government the high sense they entertain of the valuable services rendered by Mr. Ashburner and Mr. Hewett to the important work of improving the indigenous cotton cultivation of Western India.

Allusion is made in Mr. Hewett's letter to the Collector of Khandeish to some remarks contained in the Report of the Committee submitted at the annual meeting of the Chamber held on the 26th of September last, to the effect that little seemed to be doing for the improvement of the cultivation of the indigenous varieties of cotton, which Mr. Hewett appears to consider an injustice to the efforts that have been made in Khandeish.

The Committee regret that the general remarks contained in their last Annual Report should be construed as reflecting in any way on the exertions of the Government officers, whose services they now thankfully acknowledge. I am to observe, however, that the Report referred to by Mr. Hewett, dated 10th January last, was of a prospective character, discussing what was proposed to be done, and no doubt was then being done, but no results of any kind were known to the Committee when their Report was prepared.

I have the honour to be, &c.,

(Signed) JAMES TAYLOR,

Secretary.

No. 360 OF 1866.

From L. R. ASHBURNER, Esq.,
Collector of Khandeish,

To JAMES TAYLOR, Esq.,
Secretary to the Chamber of Commerce,
Bombay.

Khandeish Collector's Camp, Kandwell,
27th February 1866.

SIR,—I am about, during the coming season, to make some very extensive experiments in the cultivation of cotton, but before doing so I shall feel much obliged if the Chamber of Commerce will favour me with their opinion on the quality of the several specimens of cotton which I have forwarded this day by rail, and the price they are likely to realise both in the Bombay market and at home.

2. Some of these cottons can be extensively produced by the ordinary mode of cultivation, as practised by the natives; others, I fear, at present can only be produced by garden cultivation, and therefore in limited quantities. I am anxious to pay attention to the description of cotton that is likely to be the most practically useful in the present state of the country as regards agricultural capital and intelligence.

I have the honour to be, &c.,
(Signed) L. R. ASHBURNER,
Collector.

No. 73 OF 1866.

To L. R. ASHBURNER, Esq.,
Collector of Khandeish.

Bombay, Chamber of Commerce, 9th March 1866.

SIR,—I have the honour to acknowledge the receipt of your letter No. 360 of 1866, dated 27th ultimo, advising the

despatch per railway of a package containing some samples of cotton, and requesting the opinion of the Chamber of Commerce thereon.

The samples referred to came safely to hand, and were duly submitted to the Members of the Committee of Management for their inspection.

In reply I have now the pleasure to annex a memorandum giving full particulars of the opinion at which the Committee have arrived after a careful examination of the samples laid before them. Wishing you every success in the experiments you are about to make, in which the Committee take great interest,

I have the honour to be, &c.,

(Signed) JAMES TAYLOR,
Secretary.

MEMORANDUM conveying opinion of the Committee of Management of the Chamber of Commerce on certain samples of cotton, submitted for inspection and opinion by L. R. Ashburner, Esq., Collector of Khandeish :—

Sample No. 1. Rather short in staple, but strong; present value about Rs. 400 per candy—1*d.* per lb. under Oomrawuttee.

„ No. 2. Not so good in colour or staple as No. 1, also more leafy and dingy; worth ½*d.* per lb. less than No. 1.

„ No. 3. Equal to No. 1.

„ No. 4. More silky than the others, and about the same value as No. 1.

The Committee, however, cannot judge the character of the cotton well in its present form, and the only safe way of testing its value is by ginning it and submitting samples thereafter.

(Signed) JAMES TAYLOR,
Secretary.

Bombay, Chamber of Commerce, 9th March 1866.

Bombay, 2nd February 1866.

DEAR SIR,

Will you kindly lay before the Committee of the Chamber of Commerce the accompanying statements respecting my cotton farm at Booldana.

The results of last year's operations prove the correctness of my system of cultivating the New Orleans plant as a triennial, instead of an annual as hitherto. On ten acres of ground not by any means thoroughly cultivated, and with no manure, the yield was 80 lb. per acre of clean cotton from plants which were sown and yielded a fair crop in 1864, the only subsequent operations having been to cut down the plants to about six inches from the ground after the first crop, and then hoeing and weeding during the rains of 1865.

During the last three years successively I have verified this statement, that the plant yields as well or better the second year than the first.

A small plot of ground on which plants were similarly cut and reserved for the third year yielded abundantly. I believe the third year's yield is also better than the first year's.

The importance of the above is that after the first year the cost of culture is greatly reduced during the second and third years, whilst the yield is equal or greater, and attended with fewer risks, as the plants are matured enough to resist the effects of too much or too little rain.

The question whether good cotton can be produced as cheaply as bad is now satisfactorily answered: it can even be produced cheaper. This should not remain as a mere botanical fact, but should be utilised.

I have also commenced the growth of a "Pedigree cotton." A small piece of land was sown in 1865 with seed selected from the crop of 1864. Re-selection from its produce this year will give me 10 lb. or more of seed for next season, and repeating this process I may have 300 lb. by the end of this year. The subsequent multiplication will be rapid, and the quality still improving.

I have selected it on the grounds of its staple being of fair length and strength, less harsh and more silky than the

average of American cotton grown in Berar, where it must be acknowledged to degenerate materially, becoming both weak and harsh.

My Pedigree cotton has not been obtained by greater care in cultivation, but merely by selecting for seed those plants which with the same amount of care and culture yield more vigorous plants and better cotton. So that when a sufficient quantity of seed becomes available for general use it will cost no more to produce fine cotton than inferior. A commencement has been made, and I think it will be a public loss if it be allowed to fall through.

Though not immediately connected with the subject, I may add that I have adopted the same plan with *til* (gingeely oil seed) and *jowari*. The plants of my selected seed yield at least twenty-five per cent. more than ordinary ones. I have a good supply of such seed for next monsoon.

I shall be greatly obliged if the Committee of the Chamber of Commerce will favour me with their opinion of the samples I have forwarded.

I have no means of carrying on any longer my operations at Booldana, and am desirous that it should be taken up by a small company, the scheme of which might be something like what I have appended.

As the matter is one of public importance, I have ventured to lay the matter before the Chamber, in the hope that they may suggest a means of carrying it into effect.

My idea was that some public-spirited firm would form and direct such a company, and that it would enjoy the patronage of the Chamber, which would conduce to its success.

The sum of money required is so small, and the object is so important, that I cannot believe it will be allowed to fall through, even in the present state of things in Bombay.

I am sorry to say I shall be obliged to close my establishment at once if some such arrangement is not made, and my feeling is that this would be a loss to the country.

I am, &c.,

(Signed) ARTHUR DAVIDSON.

To JAMES TAYLOR, Esq.,
Secretary to the Chamber of Commerce.

No. 77 OF 1866.

The Rev. A. DAVIDSON,
Money School, Bombay.

Bombay, Chamber of Commerce, 10*th March* 1866.

DEAR SIR,

Referring to your letter of the 2nd ultimo, together with cotton samples which accompanied the same, I am directed to inform you that these samples were exhibited to the Members of the Chamber at a general meeting held on the 9th idem, and were very generally approved.

The Committee of Management having subjected the various samples to a minute examination at their meeting yesterday, instructed me to report on them as follows:—

No. 1. Pedigree Cotton, crop of 1865; good colour, long silky staple, remarkably strong: superior to any cotton in the Bombay market.

No. 2. Pedigree Cotton, seed of 1864; also very fine cotton, but not equal to No. 1.

No. 3. Cotton from New Orleans seed; very excellent, and nearly equal to No. 1.

I remain, &c.,

(Signed) JAMES TAYLOR,
Secretary.

No. 256 OF 1866.

From W. WALTON, Esq.,
In charge of the Office of Cotton Commissioner,

To JAMES TAYLOR, Esq.,
Secretary to the Chamber of Commerce, Bombay,

Dharwar, 20*th February* 1866.

SIR,—I have the honour to inform you I have to-day despatched to your address, by banghy post, a small parcel

containing wool and seed of Egyptian cotton grown on a retired officer's estate in the Mysore territory.

2. I solicit that you will be so good as to procure me the opinion of the Chamber on the sample forwarded.

3. I beg the favour of a very early reply to this application, and I have the honour to be, &c.,

(Signed) W. WALTON,
In charge of the Office of Cotton Commissioner.

No. 71 OF 1866.

W. WALTON, Esq.,
In charge of the Office of Cotton Commissioner,
Dharwar.

Bombay, Chamber of Commerce, 9th March 1866.

SIR,—I have to acknowledge the receipt of your letter No. 256 of 1866, dated 20th ultimo, advising the despatch of a packet of cotton wool and seed of Egyptian cotton grown on an estate in Mysore, and requesting to be favoured with the opinion of the Chamber of Commerce thereon.

The sample came safely to hand, and was duly submitted for the inspection and report of the Committee of Management.

In reply I am now directed to inform you that the Committee are of opinion the sample submitted for inspection is long, strong, and silky in staple, equal to the best Egyptian cotton, and better than any cotton brought to market in Bomboy.

I am, however, to point out that you have afforded the Chamber no information as to the manner in which the sample has been grown, or the extent of ground under cotton cultivation from which the sample was taken. On samples of mere garden cultivation the Chamber consider it inexpedient to give opinions, as garden culture is often delusive as to what may be afterwards done in field cultivation on a large scale carried out according to customary field operations.

I have the honour to be, &c.,

(Signed) JAMES TAYLOR,
Secretary.

No. 318 of 1865.

From W. Walton, Esq.,
In charge of the Office of Cotton Commissioner,

To James Taylor, Esq.,
Secretary to the Chamber of Commerce,
Bombay.

Camp Aneegeeree, 13th March 1866.

Sir,—I have the honour to acknowledge receipt of your letter dated 9th instant, and in doing so to express my thanks to the Committee of the Chamber for their interesting report on the sample of Mysore Egyptian cotton that I forwarded you on the 20th ultimo.

2. The report is so favourable that I intend to at once bring the matter to the attention of Her Majesty's Bombay Government.

3. With reference to the 3rd paragraph of the letter under reply, I beg to report for the information of the Chamber that the cotton in question is *not* the result of garden cultivation; the cotton has been grown on the plan of regular field operations. The officer who has grown it applied to me for a Dharwar cotton saw-gin, with which he is cleaning his season's crop; the sample I forwarded you was cleaned with that machine.

4. Should I hereafter have any information concerning this matter which will be of interest to the Chamber, I will do myself the pleasure of communicating with you further.

I have the honour to be, &c.,

(Signed) W. Walton,
In charge of the Office of Cotton Commissioner.

No. 428 OF 1866.

From W. WALTON, Esq.,
In charge of the Office of Cotton Commissioner,

To JAMES TAYLOR, Esq.,
Secretary to the Chamber of Commerce, Bombay.

Dharwar, 5th April 1866.

SIR,—I have the honour to inform you I have today despatched to your address a banghy parcel containing four small packages as follows:—

Two parcels, respectively marked "A No. 1" and "A No. 2," containing cotton wool and seed of Dharwar-grown Peruvian cotton. Two parcels, respectively marked "B No. 1" and "B No. 2," containing cotton wool and seed of Dharwar indigenous cotton.

2. The indigenous cotton was grown in the districts of the Dharwar talooka, and the Peruvian in a field adjoining the Dharwar jail; this latter has had no more attention paid to it than is shown to the most ordinary field crops, and the soil in which it was grown is far from superior.

3. I would now solicit that the Chamber will be so good as to forward me their opinion on these samples, more especially regarding the separation of the fibre from the seed. I ask this as both samples have been cleaned by a new machine that is being constructed under my supervision in the Dharwar factory, viz., a treadle churka of simple and cheap construction, that can be worked by one person, and which if successful will, I believe, be found for small Mofussil towns the cheapest and most economical cotton-cleaning gin yet introduced into Western India.

4. I shall feel much obliged if the Committee of Management will be so good as to give their opinion on the Dharwar indigenous in comparison with good Coompta cotton cleaned by the ordinary country foot-roller.

5. The opinion on the Peruvian variety should embrace a wider range: I shall feel obliged for the Committee's verdict not only on the manner in which it has been

cleaned, but also as to its marketable value in comparison with indigenous Peruvian. If the report on the latter point is favourable, I see no objection to introducing the cultivation of this description of staple into the eastern portion of the Canara and Goa districts, and western range of the Dharwar zilla, where the Dharwar indigenous and New Orleans varieties are not suitable.

6. Should the Chamber so wish, I shall be glad to try the new machine with any other kinds of cotton that the Committee may name.

7. I beg the favour of a very early reply to this application, and have the honour to be, &c.,

(Signed) W. WALTON,
In charge of the Office of Cotton Commissioner.

No. 119 OF 1866.

W. WALTON, Esq.,
In charge of the Office of Cotton Commissioner,
Dharwar.

Bombay, Chamber of Commerce, 14th April 1866.

SIR,—I have to acknowledge the receipt of your letter No. 428 of 1866, dated 5th instant, together with the cotton samples therein referred to, which have been duly submitted to the Committee of Management of the Chamber for their opinion.

In reply I am now directed to inform you that the Committee find the sample marked "A No. 1" to be good, long, and regular in staple, colour good, and the quality equal to the best selection of Dharwar. They also consider the cotton very well cleaned.

Sample marked "B No. 1" is of fair staple, but rather weak, stained, dull in colour, much inferior to good Coompta, and more like cotton which last season came from Sholapoor.

The Committee can give no opinion on the sample No. 1 from Peruvian seed as to its market value in comparison with indigenous Peruvian cotton, as the materials do not exist here for forming one. I am to observe that the sample sent was a very small one, and the cultivation appears to have been on the smallest scale, viz., a field near Dharwar

jail. If, however, this description of cotton can be grown to any considerable extent in the various districts you mention, and of equal quality with the sample submitted for opinion, it would be a matter of much importance to the cotton trade of this part of India.

I have the honour to be, &c.,
(Signed) JAMES TAYLOR,
Secretary.

To the SECRETARY TO THE CHAMBER OF COMMERCE.

Forbes Street, 6th July 1866.

DEAR SIR,

Herewith we send two samples of cotton grown in Central India from Sea Island and acclimatised Dharwar seed, forwarded by the Commissioner of Chandah for report and valuation, and we shall be much obliged if you will be so good as obtain the report of the Chamber upon it.

We are, &c.,
PEEL, CASSELS, & Co.,
Honorary Agents for the Cotton Supply Association.

No. 200 OF 1866.

Messrs. PEEL, CASSELS, & Co.

Bombay, Chamber of Commerce, 28th August 1866.

DEAR SIRS,

I have to acknowledge the receipt of your letter of 6th July (? 6th August) received on 6th instant, together with two samples of cotton grown in Central India from Sea Island and acclimatised Dharwar seed, which were submitted in due course to the Committee of the Chamber for opinion.

In reply I am directed to inform you that as regards the sample of cotton from Sea Island seed, it is, in the opinion of the Committee, very weak in staple, irregular and wasty, and dingy in colour.

Regarding the sample from acclimatised Dharwar seed, it is considered strong in staple, but short, and inferior to sawginned Dharwar.

I remain, &c.,
(Signed) JAMES TAYLOR,
Secretary.

P.S.—I regret that this letter was inadvertently omitted to be transmitted to you two weeks ago.

No. 1258 OF 1866.

REVENUE DEPARTMENT.

To the SECRETARY TO THE CHAMBER OF COMMERCE.

Bombay Castle, 11th April 1866.

SIR,—I am directed to forward for the information of the Chamber of Commerce a copy of the papers noted in the margin, regarding the result of the introduction of Berar cotton into Khandeish.

Memorandum by the Collector of Khandeish No. 467 dated the 21st March 1866, with accompaniment.
Resolution of Government No. 1256 dated 11th April 1866.

I have the honour to be, &c.,
(Signed) F. S. CHAPMAN,
Chief Secretary to Government.

No. 1256.

Extract from the Proceedings of the Government of Bombay in the Revenue Department dated 11th April 1866.

Read the following papers:—

Letter from L. R. Ashburner, Esq., Collector of Khandeish, to A. Rogers, Esq., Revenue Commissioner N.D., No. 456, dated 17th March 1866.

I have now the honour to report the result of the introduction of Berar cotton into Khandeish.

2. The commercial panic in Bombay, and the sudden termination of the American war, immediately before the sowing season of 1865, caused a serious fall in the price of cotton. It was nearly unsaleable, and the cultivation of this crop, which had last year reached acres 465,524-9-0, fell suddenly to acres 237,911-12-0. This, however, must be considered a singularly fortunate occurrence. If the same extent of land as last year had been cultivated, the eradication of the worthless Khandeish cotton could not have been so completely effected as at present. The quantity of Berar seed imported would have been insufficient to meet the demand. It would have been mixed with Khandeish cotton, and the most mischievous form of adulteration, the mixture of two cottons of different quality and properties, would have become as permanent as at Dharwar.

3. The ryots of Khandeish had applied for candies 2,399-8-25* of Berar seed, but the unfavourable prospects of the market, and the comparatively high price at which the imported seed was sold, induced them to reject candies 411-4-8, which were returned to the importer. The balance only, candies 1,988-4-17, was planted.

* Candies of 1600 lb.

4. From the following statement it will be seen that out of the whole crop of acres 237, 911-12 no less than acres 219,584-4, or 92 per cent., has been planted with Berar seed, and only 18,131-36 with old Khandeish seed. Of this, however, acres 9,599-10 in Wurrungaum, and acres 4,627-15 in Jamneir, have been planted with the cotton known as "Gowrani," which is so similar to Berar cotton that it requires a very practised eye to detect the difference. It may be said, therefore, that only acres 4,100-23, or 1¾ per cent., of the worthless old Khandeish cotton remains, and even a portion of this is Gowrani. I am taking measures to purchase the seed of those acres, and export it to Bombay as food for cattle, but I rely chiefly on the coöperation of the ryots to secure pure seed being sown next season. They are fully aware of the superiority of Berar cotton, and I will take care that they are supplied with pure seed. I must here explain that when I estimated 300 acres as the extent of the old Khandeish crop I had only received the returns of those talookas in which the

Government Resolution No. 684 of 23rd February 1866.

old seed had been entirely abandoned, or in which only a few acres had been planted. It will be seen that the cultivation is almost confined to six talookas. It was of so much importance to secure the old seed before it had become mixed with the new at the cleaning factories that I thought it better to make a rough estimate at once, than, by delay, run the risk of allowing the seed to get into the market.

Statement showing the Cotton Cultivation of Khandeish for the season of 1865.

No.	Name of Talooka.	Old Khandeish Cotton.		Berar Cotton.		Total.	
1	2	3		4		5	
		Acres	*g.*	*Acres*	*g.*	*Acres*	*g.*
1	Dhoolia	.....		12,891	13	12,891	13
2	Amulneir	.....		26,532	17	26,532	17
3	Erundole	25	0	31,864	28	31,889	28
4	Bhurgaum.....	10	20	13,094	30	13,105	10
5	Lohara	2	0	19,683	33	19,685	33
6	Challisgaum	.....		7,503	5	7,503	5
7	Malligaum.....	7	26	536	18	544	4
8	Baglan	30	35	123	6	154	1
9	Pimpulneir.....	.....		337	5	337	5
10	Nundoorbar	7	5	1,617	16	1,624	21
11	Virdale.....	225	0	12,353	26	12,578	26
12	Sooltanpoor	.....		1,667	29	1,667	29
13	Thalneir.....	1,931	13	1,522	17	3,453	30
14	Chopra	0	15	16,929	0	16,929	15
15	Sowda	1,551	3	13,924	19	15,475	22
16	Ravere	309	26	3,361	11	3,670	37
17	Nusseerabad	.....		10,223	3	10,223	3
18	Jamneir.....	4,627	15	34,682	33	39,310	8
19	Wurrungaum....	9,599	10	10,735	15	20,334	25
	Total....	18,327	8	219,584	4	237,911	12

5. From careful experiments made at Erundole, it appears that the new cotton gives an average of 186 lb. of uncleaned cotton per acre, which when cleaned gave 62 lb.

of cotton and 124 lb. of seed, being a proportion of 33 per cent. I doubt, however, whether this average would hold in other talookas of poorer soil. It is probable that the average yield for all Khandeish will not be more than 150 lb. uncleaned and 50 lb. of clean cotton per acre.

6. There is a great saving of labour in cleaning the new cotton. It enters the churka much more readily than the old cotton, and two hands at a churka can in a given time clean 25 per cent. more of it than the old cotton. The old Khandeish cotton could not be cleaned by the saw-gin without destroying the staple, nor could it be cleaned by the Platt's gin at all without being subjected to a preliminary process in an opening machine. The new cotton enters the Platt's gin without the least difficulty or damage, and could, I believe, be cleaned by an Everett's saw-gin, if worked at low rate of speed, without damage to the staple. This experiment, however, has not yet been tried.

7. One very important advantage of the new cotton is that it ripens later in the season than the old Khandeish crop, and does not easily fall out of the pod if the picking is neglected. It thus not only escapes damage from the heavy rain which always falls in October and November, but it gives the cultivator time to get in his grain crop before the cotton picking demands every available labourer. This will enable it to be brought to market cleaner and in better condition. The old Khandeish cotton was generally damaged by rain, and always by being allowed to fall on to the ground from the impossibility of procuring labour to get in the cotton and grain harvest at the same time.

8. But by far the most important feature of the new Khandeish cotton is that its introduction deprives the Native cotton merchant of a material with which to adulterate Berar and Guzerat cotton. Hitherto Khandeish cotton has been chiefly used for this purpose. It was so bad that no one would admit that he had any Khandeish cotton, and it was often omitted from the price lists, though the market was full of it. And it was on this account that the merchant refused to press it. Besides the expense of pressing, it could only have been mixed with other cotton with difficulty after having been pressed, and he therefore insisted on sending it to Bombay in a loose state. The effect of this on the railway has been very forcibly shown

by Captain Sherard Osborn, C.B. He proves that every unpressed bale costs one-third more for carriage, which is equal to a tax of £2-11-0 per ton on the cotton, and a drawback to that amount on its power to compete with the American and Egyptian cotton. This is only the financial point of view. Captain Sherard Osborn points out other evils resulting from this fraudulent system, which are no less important to the public than the railway shareholders. He justly describes the pressing of cotton as a subject of "national importance;" and the new Khandeish cotton, by removing the chief obstacle to pressing, is entitled to a share of that importance. It was only on discovering the character of the new Khandeish cotton that the East India Cotton Agency resumed their operations at Julgaum. They have now two hydraulic presses in full work. Cotton is pressed and shipped from them direct to England at a very great saving, I am told, on pressing in Bombay.

9. The Resolution of Government as per margin sanctioned a reward of Rs. 1,000 to Mr. Hewett, and Rs. 2,000 to the Mamlutdars, for their exertions in carrying out this important measure. I have paid Rs. 1,000 to Mr. Hewett, and Rs. 250 each to his two Sub-Inspectors. The final success of this measure will depend on the entire extermination of the old seed. If only a few acres remain, it will increase, and in course of time deteriorate the new cotton. This can only be secured by the zealous exertions of all parties during the coming season. I have, therefore, for the present paid rewards only to the Mamlutdars in whose talookas the old seed was entirely abandoned. I have withheld the rewards to the others for the present, informing them that their rewards will depend on their exertions this season, and I shall only consider the measure a perfect success when not a single acre of old Khandeish cotton remains. The cultivators are so fully aware of the superiority of the new cotton, and have received such high prices for it this season, that they are only too glad to coöperate in this measure. In the event of the old Khandeish cotton being thoroughly exterminated I shall have the honour to ask Government to reward the Mamlutdars in some special manner, either by an honorary distinction, or in such a way as may appear most appropriate.

No. 4853 dated 30th November 1865.

10. In conclusion I beg to add the following passage, extracted from the *Times of India* of the 13th of March 1866:

"Broach, old	Rs.	365 to 370
Do. new	,,	445
Dhollera, old	,,	390 to 400
Do. new	,,	450 to 455
Oomrawuttee, old	,,	360 to 370
Do. new	,,	440 to 442
Barsee, old	,,	None.
Do. new	,,	420 to 425
Khandeish, new	,,	425 to 430
Hingunghaut, old	,,	None.
Do. new	,,	460 to 462
Coompta, old	,,	410 to 415
Sawginned Dharwar, old	,,	440 to 445
Do. new	,,	470 to 475"

which shows the value of the new Khandeish cotton as compared with other cottons. I am informed by a member of one of the largest Bombay European firms that the new cotton is being sold in Bombay as "sawginned Dharwar." It is very satisfactory to be able to report that it has in its first season taken so high a position in the market.

11. The following quotations will show the opinion of the leading members of the mercantile community on the quality of the new cotton:—

The Managers of the East India Cotton Agency, Messrs. Brice & Co., under date the 21st December of 1865, write—"Of the immense improvement which has taken place in the quality of the cotton produced in your district, Khandeish cotton, from having long held the lowest place in the list of indigenous cotton, promises to rank this year next to the American variety."

They go on to say that "it is valued at Rs. 450 per candy, against Rs. 350 the present worth of such quality as was raised last year."

The Chamber of Commerce, under date the 14th of December 1865, on the same subject, state "that the new cotton promises to supersede the poorest variety of the indigenous cotton of this presidency by a new variety, which will henceforth entitle the cotton of Khandeish to rank with the best."

An article published in the "Economist" of the 13th of January 1866 contains the following passage; it is a quotation from the circular of Messrs. Nicol & Co. of the 13th of December 1865:—

> "There are one or two parcels of new Khandeish in the market already, and they have also been readily taken at from Rs. 430 to Rs. 445. The cotton grown in Khandeish this season is of very superior quality, and quite as good as the Oomrawuttee, with which cotton it will class, being grown from a superior description of seed imported into those districts for the first time this season, as an experiment, from Berar, and, from the samples we have seen, with great success."

12. With a view of ascertaining the best description of cotton to encourage in the experiments I am about to carry out during the coming season, I forwarded several specimens of different varieties of cotton to the Chamber of Commerce, Bombay, and requested the Secretary to submit an opinion of their relative value. The samples were distingushed by a number, without any information as to where they came from, or what kind of cotton they were. They were submitted to a Committee of the Chamber, who have classed the new Khandeish cotton with the celebrated Hingunghaut cotton, a sample of which I procured and forwarded with the rest. The Committee observe that new Khandeish cotton is at present valued at Rs. 400 per candy. They describe the Hingunghaut sample as more silky, but of about the same value as the new Khandeish.

13. It is only fair, however, to report that the Committee state that, owing to the cotton being with the seed unginned, they "cannot judge the character of the cotton well in its present state."

Memorandum by L. R. Ashburner, Esq., Collector of Khandeish, No. 467 dated 21st March 1866.

No. 2139 dated 19th May 1865.

True copy, submitted to the Under Secretary to Government, with reference to Government Resolution quoted in the margin,

RESOLUTION.—A copy of this letter should be sent to the Secretary of State, the Government of India, the Chamber of Commerce, and the Manchester Cotton Supply Association.

2. His Excellency the Governor in Council considers Mr. Ashburner is entitled to the highest credit for the energetic and judicious manner in which he has effected this most important revolution in the cotton cultivation of Khandeish.

(Signed) F. S. CHAPMAN,
Chief Secretary to Government.

No. 2012 OF 1866.

REVENUE DEPARTMENT.

To the SECRETARY TO THE CHAMBER OF COMMERCE,
Bombay.

Bombay Castle, 1st June 1866.

SIR,—I am directed to forward herewith copy of a letter,* with its accompaniment, from the Revenue Commissioner Northern Division, as also the specimens of cotton therein referred to, and to request that the Chamber will favour Government with their opinion on the subject.

*No. 2257 dated 25th May 1866.

I have the honour to be, &c.,

(Signed) J. KING,
Acting Under Secretary to Government.

No. 2257 OF 1866.

REVENUE DEPARTMENT.

To F. S. CHAPMAN, Esq.,
Chief Secretary to Government.

Camp, Matheran, 25th May 1866.

SIR,—I have the honour to report, for the information of Government, that on receipt of their Resolution of the 20th

of May last, No. 2163, I requested the Collectors of the Guzerat zillas to endeavour to have experiments made, in the course of the cultivating season then approaching, to ascertain whether cotton grown from the seed of the New Orleans variety now acclimatised in Dharwar would succeed. I had satisfied myself frequently that in Guzerat the produce from American seed freshly imported was so small and precarious that it could never find favour with the cultivators, and it was advisable to find out whether the natural qualities of the variety which led to this failure might not have disappeared in its second generation, as it were, after being grown in Dharwar. I beg now to forward specimens grown from the acclimatised seed, the produce of the different localities noted in the margin, and would suggest their being sent for examination to the Chamber of Commerce.

From Mr. Borradaile's garden in Kaira.
Jumbooseer. } Broach.
Dehgaum. }
Kulmee. }
Ahmedabad.

2. I think that an examination of these, grown, as they have been, in different localities and various descriptions of soil, will convince the Chamber that New Orleans cotton is not suited to Guzerat. As far as I can judge, the only specimen which will prove of any greater value than ordinary indigenous cotton is that grown near Ahmedabad, the cultivation of which is described in the accompanying memorandum by Mr. Nowrojee Pestonjee, with the help of irrigation.

3. This confirms the opinion I have all along held on the subject, viz., that the climate of Guzerat after the end of the monsoon, just at the time when the plant is about to come into flower and the pods to form, becomes too dry, in consequence of the prevalence of land winds, to suit the variety. This can only be counteracted by irrigation, the the cost of which would be too heavy for the cultivation to pay. Mr. Pestonjee's experiment was made in the light sandy soil of Ahmedabad called "Gararoo," and he had water available. In by far the largest portion of the black soil of Guzerat wells are very scarce, and where they exist would generally be useless, in consequence of the water being more or less brackish.

4. Among the specimens, however, would be found one of Peruvian cotton, which appears to me to deserve attention.

I found it growing in a field at Jhallode, in the north-east corner of the Punch Mahals, unirrigated, not pruned, in company with other common varieties of cotton, in ground that had not even been weeded, and it was the produce of seed that had been sown there several years ago that had ever since been utterly neglected. If cotton produced under such circumstances can have the fine staple this evidently has, I think there can be little doubt that with careful cultivation it would turn out much superior, and probably in the end be found much more valuable, both as to quality and quantity of produce, than the indigenous cotton of the country. If the opinion of the Chamber should coincide with mine, I think experiments with Peruvian seed in different parts of Guzerat would be well worthy trying, and if the Chamber will supply small quantities of the seed for the purpose, they may depend upon the best efforts of the revenue authorities of the province to get it fairly tried.

I have the honour to be, &c.,

(Signed) A. Rogers,
Revenue Commissioner, N.D.

Extract from a letter; to the address of the Collector of Ahmedábad, from Mr. Nowrojee Pestonjee, dated—January 1866.

The interest taken by you in the improvement of cotton cultivation in this collectorate induces me to address you respecting the experiment made by me this last season with the New Orleans and Egyptian cotton seeds. It affords me much pleasure to state that the experiment has proved successful.

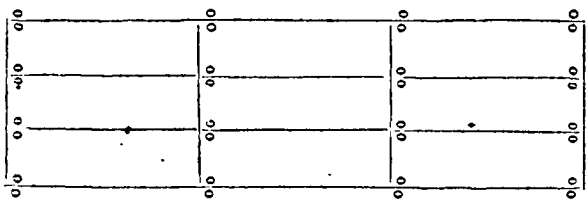
The New Orleans (Dharwar acclimatised) seeds were given to me by you, and the Egyptian by Captain A. F. Moore, Inspector of Cotton.

Although I had a mind to make the experiments on a larger scale than I have done, I could not do so, as no more of the New Orleans seed was available, and the Egyptian seed was for the most part bad; it seemed to have been destroyed by sweating on the voyage, or by being kept lightly packed in bulk in a damp, warm state.

The land on which the cotton has been sown is the usual *bhatta* soil situated on the bank of the river Saburmuttee, at the village of Gaspoor, in this collectorate; the surface soil is dark and loamy, mixed partially with sand; the subsoil is very sandy.

The land was prepared for sowing in the latter part of July; it was ploughed and turned over as usual in the Native style. The seeds were put down between the 1st and the 6th of August last.

For the New Orleans seed lines parallel to each other were drawn from east to west one foot apart, these were crossed by other parallel lines drawn from north to south one foot apart also, and two seeds were put down close to one another on that spot where the lines crossed each other, thus :—



The distance of one foot I afterwards found to be too little, and that I ought to have planted the seeds at least three feet apart.

As the Egyptian seeds were almost all damaged, I could adopt no system for sowing them; I therefore had the seeds cast at random all over the fields as thick as possible.

The New Orleans seeds being sown as above described, the field was kept clean without any great trouble: almost all the weeding was done by means of a hoe drawn by bullocks, but the Egyptian cotton fields had to be weeded by hand labour, which is more costly.

About eight days after the seeds were put down the New Orleans began to germinate; the Egyptian came up some little time after, I believe because the seeds were so sickly I am, however, inclined to believe that Egyptian takes a little longer time to grow than the New Orleans.

I also observed that the New Orleans plants began to bear pods about eight weeks after the seeds were put down,

and when the plants were about one foot high. The Egyptian plants began to bear the pods about three months after they were put down. Some of the Egyptian plants are very tall and healthy, and bear a good many pods, whilst others are small and weak; but these latter seem to be improving daily, and I have no doubt that they will almost all thrive well ere long. The New Orleans cotton plants are generally good and healthy, except those that are very thickly planted, which is the case in one of my fields. As soon as the first crop is all collected I shall have these plants thinned.

"I herewith beg to send some specimens of both American cotton and Egyptian cotton grown by me as above, also some pods and seeds of both varieties.

"I cannot just now state how much the yield in total will be, but I am confident that it will be greater than the native cotton, and would be much greater if planted three or four feet apart, and the cotton is of a superior quality.

"I had not a large stock of seed to choose from; selected seeds would have certainly given me better plants.

"At present I have got about two acres of American and one acre of Egyptian standing in four different fields. The Egyptian thrives better in one of my fields, which is lighter and contains more sandy soil than the other.

"Both the varieties improve by irrigation, and watering the plants saves them from the ravenous attacks of the white ants, which will be found almost all over this country; watering is also deemed by many Native cultivators to be a good preventive against frost: they say that the frost does not kill a cotton plant that has had water given to it. I have been told so by many people, and in different villages; some say they have had personal experience of the matter.

"The Egyptian and American plant, the former particularly, will grow without water. If planted in August and the soil be well prepared, they will yield one crop; but not so with irrigation. I do not, however, think they would yield a second crop without watering. I fear the heat in this part of the country is such as to kill the plants; the white ants also will destroy a number of plants unless they are watered at least once in six weeks.

"I gave water almost regularly once a month to both the sorts, but I don't think that had I watered the plants only every six weeks they would have been any the worse.

"The seeds were prepared for sowing in the usual Native style, by wetting them and rubbing them with dry earth and ashes.

"The New Orleans plants began to yield cotton on or about the 15th of December, but not in any large quantity until the 18th of January 1866. As yet the Egyptian has only borne a few pods here and there, and will take a month more to yield fairly. I do not believe that sowing the cotton earlier than the latter part of July will do in this country, as the rains, and especially that dull cloudy weather, kill the pods. I lost many by the stormy weather we had in November last. I have no doubt that the hotter the sun the better for the plant, but then there ought to be some moisture at the root. Whenever the plants are so thick as to bar the rays of the sun from penetrating into them, and prevent the free circulation of air around them, a certain disease, a kind of rot known by the natives as *karwa*, breaks out; this generally spoils a part of the pod or fosters small insects. The whole pod, however, is seldom thus spoilt; this is not the case when the plants are conveniently apart.

"As to the cost of cultivating the Egyptian and American cottons, I do not think it would be much more than that of raising the native kind. Irrigation would be an extra cost, no doubt, but where there are wells existing in the fields the cost will be comparatively small, as the cotton will require water only once in four or six weeks, and this expense will be more than repaid by the large quantity and better quality produced."

(True extract)
(Signed) J. E. OLIPHANT, Collector.

(True copies)
(Signed) J. KING,
For Chief Secretary to Government.

No. 150 OF 1866.

To the UNDER SECRETARY TO GOVERNMENT,
Revenue Department, Bombay.

Bombay, Chamber of Commerce, 12th June 1866.

SIR,—I am directed by the Committee of Management of the Chamber of Commerce to acknowledge the receipt of

your letter No. 2012 of 1866, dated 1st instant, handing copy of a letter with its accompaniments from the Revenue Commissioner N. D., together with various samples of cotton, on which the opinion of the Chamber is requested.

In reply I have the honour to subjoin herewith, for the information of Government and the Revenue Commissioner, a memorandum setting forth the opinion of the Committee on the various samples submitted for inspection.

The opinion expressed by the Revenue Commissioner Northern Division regarding the apparent unsuitability of the New Orleans variety of cotton to the climate of Guzerat accords with the information on this point previously in possession of the Chamber; but whether as much care has been taken with the Guzerat experiments as with those conducted in the South Mahratta Country, under the superintendence of Dr. Forbes, the Committee have no means of judging.

The suggestion of the Commissioner, that experiments should be made in Guzerat with Peruvian seed, deserves, in the opinion of the Committee, the best consideration of Government: they regret the Chamber has no Peruvian seed at its disposal, but I am directed to state that a small supply is likely to be obtained by making application to Messrs. Peel, Cassels, & Co., Honorary Agents to the Cotton Supply Association of Manchester.

I have the honour to be, &c.,
(Signed) JAMES TAYLOR, Secretary.

MEMORANDUM conveying opinion of the Committee of Management of the Chamber of Commerce on certain samples of cotton submitted for inspection and opinion by the Revenue Commissioner Northern Division.

1.	New Orleans American cotton, Dharwar acclimatised, Ahmedabad.	Good colour, woolly, clean, staple weak and coarse: much inferior to sawginned Dharwar.
2.	New Orleans pods ready for picking.	
3.	New Orleans pods almost mature.	
4.	New Orleans cotton seed, Ahmedabad.	Seed in good condition.

5.	Egyptian cotton, Ahmedabad.	Irregular, coarse, woolly and wasty, clean, and fair colour.
6.	Egyptian seed.	Seed in very good condition.
7.	Cotton with seed (kuppas) from Jumbooseer and Broach.	Seems to be inferior to ordinary Jumbooseer cotton.
8.	Cotton with seed from Kulmee, Broach.	
9.	Cotton grown in Mr. Borradaile's garden, Kaira.	
10.	Cotton with seed (kuppas) Ahmedabad.	Apparently Peruvian, but shorter in staple; clean, fair, colour generally good.

COTTON STATISTICS, BOMBAY PRESIDENCY.

No. 1037 OF 1866.

REVENUE DEPARTMENT.

To the SECRETARY TO THE CHAMBER OF COMMERCE,
Bombay.

Bombay Castle, 21st March 1866.

SIR,—I am directed to forward, for the information of the Chamber of Commerce, copy of a letter* from the Commissioner in Sind, and of the return, therewith submitted, of cotton cultivation in that province for the year 1865-66, compared with that for 1864-65.

* No. 44 dated 28th February 1866.

I have the honour to be, &c.,

(Signed) H. E. JACOMB,
For Chief Secretary to Government.

No. 44 of 1866.

Revenue Department.

To His Excellency

The Honourable Sir H. B. E. Frere, K.C.B., K.S.I.,
Governor and President in Council, Bombay.

Honourable Sir,—I have the honour to submit the accompanying return of cotton cultivation in the province for the current year contrasted with 1864-65.

2. There is a large falling off in the extent of land cultivated throughout the province, as shown below :—

Kurrachee collectorate	1,051	22	3
Hydrabad collectorate	15,112	24	0
Shikarpoor collectorate	12,565	37	0
Thurr and Parkur	1,421	32	0
	30,151	35	3
Deduct increase in the frontier districts.	363	13	0
Net decrease	29,788	22	3

3. This may be attributed to a decline in the price of cotton since the latter end of 1864, and to a corresponding rise in the price of grain.

4. The increase in the cultivation of foreign cotton is insignificant compared with 1854-65, being 44 beegas, 36 goontas, and 12 annas.

5. In the frontier districts 5,600 lb. of exotic cotton seed have been applied for where experiments on a larger scale than has hitherto been tried are in progress. It is satisfactory also to observe that the zemindars of the district are alive to the advantages derived by the use of cotton gins, and that eight have been sent for from England.

I have the honour to be, &c.,

(Signed) S. Mansfield,
Commissioner in Sind.

Commissioner's Office, Camp Larkhana,
28th February 1866.

Statement of Cotton Cultivation in the Province of Sind during the

Districts.	1864-65. Extent of land cultivated. Native Cotton.			Foreign Cotton.			Total.			No. of Saw Gins in use.	1865- Extent of Native Cotton.		
	Acres	g.	a.	Acres	g.	a.	Acres	g.	a.		Acres	g.	a.
Kurrachee Collectorate.													
Kurrachee	7	8	5	78	12	4	85	20	9		2	20	0
Sehwan	452	39	13	.....			452	39	13		418	31	0
Johee	5,420	22	0	.....			5,420	22	0		....		
Dadoo	....			.....			....				5,100	0	0
Mahjunda	295	6	2	.....			295	6	2		169	17	0
Kotree	190	33	3	.....			190	33	3		200	35	0
Ghorabaree	20	4	5	.....			20	4	5		19	20	0
Sacra	54	9	3	.....			54	9	3		20	16	4
Tatta	270	36	7	.....			270	36	7		263	20	0
Shahbunder	128	10	5	.....			128	10	5		44	0	0
Meerpoor Buttora	728	11	6	.....			728	11	6		260	0	0
Jathee	134	23	2	.....			134	23	2		24	25	0
Beyla	....			.....			....				79	25	0
	7,703	4	3	78	12	4	7,781	16	7		6,612	9	4
Hydrabad Collectorate.													
Hydrabad	5,841	33	0	.....			5,841	33	0	2,412	2,152	24	0
Goonee	2,088	0	0	.....			2,088	0	0	677	1,103	0	0
Buddeen	470	0	0	.....			470	0	0	130	305	0	0
Bagh-ke-Tanda	363	0	0	.....			362	0	0	105	310	0	0
Dhera Mohbut	3,325	0	0	.....			3,325	0	0	1,610	2,031	0	0
Halla	4,628	34	0	.....			4,628	34	0	..	2,841	2	0
Shadadpoor	6,043	27	0	.....			6,043	27	0	..	3,444	23	0
Alyar-ka-Tanda	4,825	0	0	.....			4,825	0	0	2	2,961	12	0
Meerpoor	3,843	8	0	.....			3,843	8	0	..	2,148	12	0
Nowshera	2,886	22	0	.....			2,886	22	0	527	3,076	57	0
Kundiara	1,600	3	0	.....			1,600	3	0	250	1,249	29	0
Mora	1,322	28	0	.....			1,322	28	0	155	1,160	11	0
Sukkurund	1,249	28	0	.....			1,249	28	0	475	589	14	0
	38,486	23	0	.....			38,486	23	0	6,343	23,373	4	0
Shikarpoor Collectorate.													
Larkhana	13,516	0	0	.....			13,516	0	0		8,042	0	0
Roree	13,643	0	0	.....			13,643	0	0		10,383	0	0
Mehar	5,945	21	0	.....			5,945	21	0		5,783	24	0
Shikarpoor and Sukkur	7,648	0	0	.....			7,648	0	0		3,970	31	0
	40,752	21	0	.....			40,752	21	0		28,179	15	0
Upper Sind Frontier.													
Meerpoor	1,103	22	0	51	6	0	1,154	28	0		1,116	29	0
Kusmore	405	36	0	.....			405	36	0		695	11	0
Jacobabad	409	15	0	.....			409	15	0		477	32	0
	1,918	33	0	51	6	0	1,969	39	0		2,289	32	0
Thurr and Parkur.													
Kippra	1,072	20	0	.....			1,072	20	0	400	250	0	0
Sanghur	825	0	0	.....			825	0	0	70	403	13	0
Oomercote	310	0	0	.....			310	0	0	75	152	17	0
Mittee	....			.....			....			..	....		
Deepla	2	23	0	.....			2	23	0	2	....		
Nuggur	22	25	0	.....			22	25	0	4	....		
Total	2,232	28	0	.....			2,232	28	0	551	805	30	0
Grand Total	91,093	29	3	129	18	4	91,223	7	7	6,894	61,260	10	4

Commissioner's Office, Camp, Larkhana, 28th February 1866.

year 1865-66 *contrasted with the extent in the previous year,* 1864-65.

63. Land cultivated. Foreign Cotton.		Total.			No. of S. & W. Gins in use.	Prospect of season's Crop. Raw Cotton.		Cleaned Cotton.		Remarks.			
Acres	*g.*	*Acres*	*g.*	*a.*		*Mds.*	*s.*	*Mds.*	*s.*				
117	17	119	37	0		20	6	5	0				
....		418	31	0		506	25	164	0				
....		....				....		....					
....		5,100	0	0		7,352	0	2,448	0				
....		169	17	0		439	22	109	36				
0	8	201	3	0		1,558	8	389	22				
....		19	20	0		6	27	3	0				
....		29	16	4		14	30	3	18				
....		263	20	0		255	0	84	0				
....		44	0	0		704	0	176	0				
....		260	0	0		1,300	0	435	10	Decrease in Native Cotton	1,090	34	15
....		24	25	0		78	30	20	10	Increase in Foreign Cotton	39	12	12
....		79	25	0		131	0	41	6	Net Decrease....	1,051	22	3
117	25	6,729	34	4		12,366	28	3,879	22				
....		2,152	24	0	1,228	17,270	12	4,305	3				
....		1,103	0	0	248	4,271	0	1,215	0				
....		305	0	0	102	1,993	0	553	0				
....		310	0	0	120	1,800	0	450	0				
....		2,031	0	0	300	10,558	0	3,177	0				
....		2,841	2	0	..	6,482	0	2,032	0				
0	25	3,445	8	0	..	12,371	0	3,497	10	Decrease in Native Cotton	15,113	19	0
0	7	2,961	19	0	2	14,545	0	5,122	0	Increase in Foreign Cotton	0	35	0
0	2	2,148	14	0	..	14,699	0	4,283	36	Net Decrease....	15,112	24	0
0	1	3,076	38	0	305	18,826	14	4,869	30				
....		1,249	29	0	229	9,210	35	2,315	12				
....		1,160	11	0	108	3,243	23	910	28				
....		589	14	0	327	2,823	20	705	35				
0	35	23,373	39	0	2,969	1,18,093	24	33,436	34				
....		8,042	0	0		24,126	0	6,031	20				
7	9	10,390	9	0		31,170	27	7,792	16				
....		5,783	24	0		17,350	32	4,337	18	Decrease in Native Cotton	12,573	6	0
....		3,970	31	0		11,912	13	2,978	3	Increase in Foreign Cotton	7	9	0
7	9	28,186	24	0		84,559	32	21,139	17	Net Decrease....	12,565	37	0
40	3	1,156	32	0									
....		695	11	0		Not given		....		Increase in Native Cotton	370	30	0
3	17	481	9	0						Decrease in Foreign Cotton	7	26	0
43	20	2,333	12	0		....		....		Net Increase....	363	13	0
....		250	0	0	50	50	0	450	0	Decrease in Native Cotton	1,426	38	0
5	6	408	19	0	50	....		917	0	Increase in Foreign Cotton	5	6	0
....		152	17	0	16	957	37	364	7	Net Decrease....	1,421	32	0
....		....			..	....		....					
....		....			..	....		....					
....		....			..	....		....					
5	6	810	36	0	116	1,007	37	1,731	7	Decrease in Native Cotton	20,833	18	5
										Increase in Foreign Cotton	44	36	12
174	15	61,434	25	4	3,085	216,028	1	60,187	0	Net Decrease....	20,789	22	3

(Signed) S. MANSFIELD, Commissioner in Sind.

No. 1039 OF 1866.

REVENUE DEPARTMENT.

To the SECRETARY TO THE CHAMBER OF COMMERCE,
Bombay.

Bombay Castle, 21st March 1866.

SIR,—I am directed to forward, for the information of the Chamber of Commerce, copies of memoranda* from the Revenue Commissioners, Northern and Southern Divisions, and of their accompanying letters and returns from Mr. Walton, in charge of the Office of Cotton Commissioner, of cotton cultivation and the estimated outturn of the crop in the collectorates of Ahmedabad, Kaira, Surat, and Khandeish, as also in those of the Southern Division, for the season 1865-66, as compared with 1864-65.

*No. 1080 dated 8th March 1866. No. 775 dated 9th March 1866.

I have the honour to be, &c.,

(Signed) H. E. JACOMB,
For Chief Secretary to Government.

No. 292 OF 1866.

To A. ROGERS, Esq.,
Revenue Commissioner N. D.

SIR,—I have the honour to forward herewith the return called for in your endorsement* upon Resolution of Government No. 2947 dated 11th July 1865.

* No. 2165 dated 14th July 1865.

2. The orders of Government are that this return should be submitted before the end of February; the delay is solely attributable to the late receipt of the Collector's returns: that for Khandeish, although repeatedly called for, has not yet been received.

3. The returns, so far as they have been received,* show a decrease of cotton cultivation in 168,783 acres, 32 goontas, and produce 6,944 candies 616 lb. This decrease is doubtless attributable to the great depression that existed in the cotton trade at the sowing season, owing to the sudden cessation of the American war.

* Collectorates of Ahmedabad, Kaira, Surat.

4. The returns on the whole show that there has been a good cotton season in Guzerat, but I do not think that this Report and its accompaniment should be taken as a criterion for forming any reliable opinion upon the cotton trade of the year.

5. At the close of last season an immense quantity of cotton remained in the country (generally up in out-of-the-way places in the Mofussil). This has been sold this year, and it is probable that from that cause, although the cotton crop of the year is less than that of 1864-65, the exports will be greater; in fact, if prices keep up in the English market, there is no doubt that the exports of cotton from Bombay for 1865-66 will reach at least a very high average.

6. The season is too early to form anything but a premature opinion. The regular yearly returns to Government are due a month hence, and in submitting them I trust I shall be in a position to furnish more reliable data than are contained in this somewhat meagre Report.

7. I am to-day submitting a Report on the southern cotton districts through the Revenue Commissioner S. D.

I have the honour to be, &c.,

(Signed) W. WALTON,

In charge of the Office of Cotton Commissioner.

Dharwar, 1st March 1866.

RETURN of Cotton Cultivation and the Estimated Outturn of the Crop for the Season 1865-66 *as compared with* 1864-65, *Bombay Northern Division.*

Collectorate.	Cotton Crop for the Season.												Remarks supplied by the Collectors.
	1864-65.						1865-66.						
	Extent of Cultivation in Acres.			Actual produce in Candies of 784 lb. of clean Cotton.			Extent of Cultivation in Acres.			Estimated Outturn in Candies of 784 lb. of clean Cotton.			
	Of Exotic.	Of Native.	Total.	Of Exotic.	Of Native.	Total.	Of Exotic.	Of Native.	Total.	Of Exotic.	Of Native.	Total.	
Ahmedabad ..	..	327,469 32	327,469 32	..	20,801 264	20,801 264	5 0	257,641 9	257,646 9	0 185	16,998 552	16,998 737	The probable yield per acre in 1865-66 is estimated to be less than in 1864-65 by about 5 annas of a rupee.
Kaira	..	16,146 0	16,146 0	..	5,320 482	5,320 482	..	15,403 0	15,403 0	..	6,653 39	6,653 39	
Surat	..	331,088 0	331,088 0	..	28,333 276	28,333 276	4 13	232,866 18	232,870 31	0 97	23,858 317	23,858 414	
Khandeish ..	..	.....	.....	..	.....	.....	..	.....	.....	..	.....	.....	Return not received.
Total....	..	674,703 32	674,703 32	..	54,455 238	54,455 238	9 13	505,910 27	505,920 0	0 282	47,510 124	47,510 406	

Dharwar, 1st March 1866.

(Signed) W. Walton,
In charge of the Office of Cotton Commissioner.

No. 1080 OF 1866.

REVENUE DEPARTMENT.

Submitted to Government, with reference to their Resolution No. 2947 dated 11th July 1865, and this Office No. 2164 dated 14th idem.

(Signed) A. ROGERS,
Revenue Commissioner N. D.

Camp, Turkesar, 8th March 1866.

No. 293 OF 1866.

To J. W. HADOW, Esq.,
Revenue Commissioner S. D.

Sir,—In obedience to the instructions contained in your letter No. 3268 dated 19th September 1865, I have the honour to forward the enclosed return of cotton cultivation in the Southern Division for 1865-66.

2. The orders of Government are that this return should be submitted before the end of February: the delay is solely attributable to the late receipt of the Collectors' returns; that for the subcollectorate of Sholapoor is not yet to hand.

3. The returns, so far as they have been received,* show a decrease of cotton cultivation in 173,467 acres 25 goontas, and produce 54,905 candies 564 lb. The former decrease is doubtless attributable to the great depression that existed in the cotton trade at the sowing season, owing to the sudden cessation of the American war, combined with the very great demand that existed at the same time for all kinds of cereals. The decrease of produce is accounted for partly by the foregoing reason, and partly by a want of

* Collectorates of Ahmednuggur, Belgaum, Dharwar, Poona (excluding Sholapoor), Kulladghee, and Sattara.

rain at the cotton sowing season in many part of the Southern Division. On this latter account many cultivators, who would otherwise have planted their usual quantity, cultivated no cotton whatever, and in the fields of many of those that did plant there has been but a very poor outturn.

4. The returns, on the whole, show a fair cotton season in the districts they report upon; but I do not think this letter and its accompaniment should be taken as a criterion for forming any reliable opinion upon the cotton trade of the year.

5. At the close of last season an immense quantity of cotton remained in the country (generally up in out-of-the-way towns of the Mofussil). This has been sold this year, and it is probable that from this cause, although the cotton crop of the year is less than that of its predecessor, the exports will be greater; in fact, if prices are maintained in the English market, there is no doubt but that the exports of cotton from Western India of 1865-66 will at least reach a very high average.

6. The season is as yet too early to form anything but a premature opinion. The regular yearly returns to Government are due about a month hence, and in submitting them I trust I shall be in a position to furnish more reliable data than are contained in this somewhat meagre Report.

7. The remarks supplied by the Collectors of Kulladghee and Sattara are well worthy of attention, the former as showing what an effect high prices has on the Mofussil demand for Manchester goods, and the latter the imperfect data upon which this and similar returns have necessarily to be framed.

8. I am today submitting a Report on the northern cotton districts through the Revenue Commissioner N. D.

I have the honour to be, &c.,

(Signed) W. WALTON,

In charge of the Office of Cotton Commissioner.

Dharwar, 1st March 1866.

Return of Cotton Cultivation and the Estimated Outturn of the Crop for the Season 1865-66, *as compared with* 1864-65, *Bombay Southern Division.*

Collectorate.	Cotton Crop for the Season.												Remarks supplied by the Collectors.
	1864-65.						1865-66.						
	Extent of Cultivation in Acres.			Actual Produce in Candies of 784 lb. of clean Cotton.			Extent of Cultivation in Acres.			Estimated Outturn in Candies of 784 lb. of clean Cotton.			
	Of Exotic.	Of Native.	Total.	Of Exotic.	Of Native.	Total.	Of Exotic.	Of Native.	Total.	Of Exotic.	Of Native.	Total.	
Ahmednuggur.	* 5 0	23,348 34	23,353 34	...ll	1,155 24	1,155 24	....	6,828 18	6,828 18	....	801 72	801 72	* The cotton plants were burnt up.
Belgaum	3,730 33	145,927 32	149,658 25	320 757	4,234 735	4,555 708	3,730 0	163,676 37	167,407 3	126 232	3,824 223	3,950 455	
Dharwar	280,239 1	185,371 29	465,601 30	18,931 207	9,721 81	28,652 288	261,942 21	160,044 36	421,987 17	20,397 692	8,782 417	29,180 325	
Poona	0 12	17,179 36	17,180 8	0 129	4,233 176	4,233 296	0 15	5,317 21	5,317 36	0 160	1,391 316	1,391 476	
Kulladghee	2,731 19	355,069 29	357,801 8	331 555	46,362 696	46,694 467	3,245 18	269,165 29	272,411 7	186 242	18,763 778	18,950 236	Owing to the high rate at which cotton is sold, the Native weavers are unable to make any purchases of it for manufacture, and consequently the demand for English cloth is great.
Sattara.....	74 5	62,065 34	62,139 39	37 392	30,703 112	30,740 504	30 39	28,285 8	28,315 38	0 562	6,851 381	6,852 159	The information on which this statement is based is very imperfect indeed; for instance, there is no accurate knowledge as to how much land is under cotton cultivation. The yearly field inspection only gives a rough guess at what portion of a field is devoted to what kind of crop. The outturn is estimated on still more vague data, and is little better than the result of mere conjecture.
Total....	286,771 30	788,963 34	1,075,735 24	19,621 463	96,410 256	116,031 719	268,949 10	633,318 29	902,267 39	20,711 320	40,414 619	61,126 155	

(Signed) W. WALTON,
In charge of the Office of Cotton Commissioner.

Dharwar, 1st March 1866.

No. 775 OF 1866.

REVENUE DEPARTMENT.

Submitted to Government, with reference to their Resolution No. 2947 dated the 11th of July 1865.

2. The Sub-Collector of Sholapoor has been requested to expedite the return for the subcollectorate, and to send it direct to this office.

(Signed) J. W. HADOW,
Acting Revenue Commissioner S. D.

Sholapoor Districts, Camp, Wyrag,
9th March 1866.

No. 2255 OF 1866.

REVENUE DEPARTMENT.

To the SECRETARY TO THE CHAMBER OF COMMERCE,
Bombay.

Bombay Castle, 21st June 1866.

SIR,—I am directed by His Excellency the Governor in Council to forward herewith, for the information of the Chamber, a copy of the papers as per margin, containing a Report on the cotton crop of this Presidency.

Letter from Mr. W. Walton, in charge of the Office of Cotton Commissioner, No. 570 dated 9th May 1866, with accompaniments.
Government memorandum No. 1855, dated 19th May 1866.
Letter from Mr. W. Walton, in charge of the office of Cotton Commissioner, No. 654 dated 26th May 1866.

I have the honour to be, &c.,

(Signed) J. KING,
For Chief Secretary to Government.

No. 570 OF 1866.

To F. S. CHAPMAN, Esq.,
Chief Secretary, Her Majesty's Government,
Bombay.

SIR,—I have the honour to submit the enclosed Annual Statistical Report on the cotton crop of the Bombay Presidency for the year 1865-66 compared with that of the preceding year, 1864-65.

2. The return is made out in conformity with the statements that have been furnished me by the Collectors.

3. In some of the returns the outturn of cotton to the acre cultivated seems so much undercalculated that I have found it necessary to add a revised estimate. In this corrected return the revised items are calculated at the rate of 50 lb. per acre of indigenous cotton, and 70 lb. of the exotic staple. This rate is most moderate, and may be taken as probably somewhat under the actual outturn.

4. This Report does not include the Sholapoor subcollectorate: the return for that district is not yet to hand.

5. The statement gives the year's cotton crop as follows:—

	Candies.	lb.
Exotic	40,819	184
Indigenous	97,133	594¼
Total....	137,952	778¼

6. I will now offer a few remarks on each zilla:—

I. Ahmedabad.—In this collectorate the cotton crop is 3,802 candies 146 lb. less than last year. In 1864-65 no exotic cotton was grown. This year five acres have been cultivated, and the experiment has apparently been so far encouraging as to justify its repetition on a larger scale. Mr. Oliphant has indented for a considerable supply of fresh exotic seed.

II. Kaira.—We have here the large increase of 5,039 candies 607 lb. over last year. In 1865-66 no exotic cotton appears to have been sown. Experiments

with foreign cotton are to be made this year. Mr. Borradaile has written for a liberal supply of seed for the purpose.

III. Khandeish.—The return for this zilla will be found reliable; the rate is calculated from actual experiment. As Government is already aware, most important improvements in Khandeish cotton have taken place this season, through the zealous and judicious exertions of Mr. Ashburner the Collector and Mr. Hewett, Cotton Inspector. I would, however, take this opportunity of observing that the results already attained should *not be considered conclusive.* "Khandeish new cotton" is not quoted at a price, in comparison with other descriptions, that will justify a cessation of endeavours for improvement. The success of this one year is sufficiently great to amply encourage continued earnest endeavours for progressive advancement. The Collector, too, seems to be of this opinion, as I am in receipt of an application for a considerable quantity of exotic seed. The Khandeish cotton crop this year is 6,441 candies 265 lb. less than that of last season, but the intrinsic value of the year's produce is very much greater. The statement gives a crop of only 1,168 candies 648 lb. of indigenous cotton, compared with no less than 237,911 candies 12 lb. last year. It is a matter of great moment to the cotton trade that such a very small quantity of this miserable Khandeish cotton remains in the market, and we have already got the Collector's assurance that by next season it will be completely eradicated. On the other hand, we have for 1864-65 only 47 lb. of exotic cotton, against 16,804 candies 710 lb. for 1865-66. This is a wonderful increase to be effected in one season. This exotic, it should be borne in mind, is *not* a cotton *foreign* to India, but is grown from seed imported into Khandeish from the Akote district of West Berar.

IV. Surat.—There is a fall-off in crop of 4,474 candies 440½ lb. in this collectorate. In 1864-65 no exotic cotton was grown; this year a small experiment (which it is to be hoped will be repeated) has been made.

V. Ahmednuggur.—The crop is 353 candies 763 lb. less than for the preceding year. The whole of the

cotton is indigenous; and experiment with exotic appears to have been made in 1864-65, but has not been repeated. From an application for seed that I have received from the Collector, I conclude that Mr. D'Oyly intends to make experiments during the coming season, particularly with Egyptian cotton.

VI.—Belgaum.—In this collectorate exotic cotton has increased 12 candies 38½ lb., and in the indigenous variety there is the large addition of 6,205 candies 619¼ lb. over last year. Regarding exotic this statement cannot be considered very reliable. A short time ago I made a tour in the Pursgurh talooka of the Belgaum zilla, and satisfied myself from personal observation that the crop of exotic cotton in that talooka *alone* is at least double the amount entered for the whole collectorate. In fact, the cultivation of exotic cotton (which is Dharwar acclimatised New Orleans) is spreading very much in that direction.

VII. Dharwar.—This is the most important cotton district in India. I have found it necessary to make a considerable difference in the revised estimate. The cultivation of exotic cotton still increases, whilst that of indigenous cotton has decreased. If it had not been for a prejudice in favour of the seed of indigenous cotton as a food for cattle, the New Orleans would long since have entirely superseded the native plant. I am glad to report that this prejudice is decreasing, and that natives feed their cattle on New Orleans cotton seed much more than they did. The cotton crop of the Dharwar southern districts this year is fair in quantity, and most excellent in quality. That of the northern and eastern districts is, on account of a scant rainfall, not so good. If the Cotton Supply Association furnish it in time, a very large quantity of fresh New Orleans cotton seed will be sown in the Dharwar districts this season. I find that more auxiliary cotton-gin factories are needed in the district. Arrangements are in progress for establishing four of these, and if they are ready for work by next cleaning season a great impetus to the Dharwar New Orleans cotton trade will be effected.

VIII. Poona.—The return does not include the Sholapoor subcollectorate. It will be seen that a slight

increase of cultivation in exotic, of 145 lb., has taken place, with a decrease in indigenous of 315 candies 373 lb. It is interesting to note that a desire is spreading in this zilla to give exotic cotton a fair trial. I have an application from the Collector for a supply of various kinds of seed which have been applied for by cultivators in the Indapoor talooka.

IX. Kulladghee.—This zilla is noteworthy by the fact that an increase has taken place in the crops both of exotic and indigenous cotton. I have reason to believe that the cultivation of the staple will go on improving in this collectorate. Experiments with two exotics (Berar and Egyptian) will be made this year.

X. Sattara.—Experiments with exotic cotton seem to have been made on but a small scale, and there is, compared with the preceding year, a falling off. In indigenous cotton there is a most gratifying increase of nearly 600 per cent. As communication with the coast *viâ* the Koombharlaghaut to Chiploon &c. improves, I trust the cotton trade of Sattara will go on satisfactorily increasing.

7. It will be as well, perhaps, here to recapitulate and give a kind of analysis of the return. By this I find in the Collectors' statements a decrease between this year and its predecessor (in the districts treated upon) has taken place in cultivated area of 525,781 acres 30¾ goontas, whilst in the outturn of crop there is in exotic cotton an *increase* of 18,208 candies 103 lb., and of indigenous a *decrease* of 21,228 candies 712 lb. It should be noted here that the decrease of indigenous is considerable only in the Khandeish zilla, viz., 23,246 candies 144 lb., and that the deficiency, instead of being a cause for regret, is a subject of congratulation. By these returns, too, a decrease in the total crop has taken place of 3,020 candies 609 lb.

8. The revised estimate, calculated by the guidance of actual results of departmental experience of former years, gives an increase of outturn of exotic cotton of 21,510 candies 543 lb. (of this over 16,000 candies are Khandeish *Berar* cotton), and a decrease of indigenous of 13,188 candies 724¾ lb., the result being an increase in the total crop of 8,321 candies 602¼ lb.

9. It will be noticed in the return that in 1865-66 nothing appears to have been done with exotic cotton in two collectorates, Kaira and Ahmednuggur.

10. During the present year, I have reason to believe, many extensive and useful projects will be commenced to improve both Indian exotic and indigenous cotton. Experimenters with this very capricious plant should not lose heart even from repeated failures. All should bear in mind that it took very many years, with failure after failure, to build up the colossal cotton trade that until lately America enjoyed.

11. I would here remark that this return does not include Sind; cotton from that province (and the Punjaub *viâ* Kurrachee) finds its way to Bombay.

12. The table also contains no returns of cotton grown in independent states, jagheers, &c., which is very considerable: and it must also be borne in mind that increased facilities, in the way of railways, roads, &c., are a constant cause of addition to the cotton exports of Western India.

13. A very considerable quantity of cotton (which is not enumerated in this return) finds its way to Bombay from Central India, Berar, Hyderabad, &c., by the Great Indian Peninsula Railway, and also by the Bombay and Baroda line from Native states that find that route expeditious and economical.

14. Again, Raichore, Bellary, Mysore, &c. cotton finds its way in very large quantities through Dharwar to Coompta, besides much that is grown in independent holdings. In Dharwar we have the Savanoor, Lukshmeshwar, Koondgool, &c. independent jagheers. In all these cotton is the principal cultivation, and most of the staple which is grown is of the New Orleans variety. There is also a quantity of American cotton grown in Native jagheers &c. of the Belgaum zilla.

15. It would be as well to note the hold that the cultivation of New Orleans cotton has got in Southern India. It is not only increasing in Dharwar (as I have named above), but is also steadily making way in the Nuggur division of Mysore, the Raichore state, and Bellary zilla. In this latter district especially the yearly increase is very encouraging. Again, the cultivation is being tried in many other parts: I would particularly name the North-Western

Provinces. I have this year supplied that government with no less than 660 Bengal maunds* of Dharwar acclimatised New Orleans cotton seed.

* Each weighing 80 lb.

16. In the preliminary returns that I submitted in March last I expressed the opinion that, owing to increased facilities, and large quantities of cotton remaining in out-of-the-way places of the Mofussil from last season, the exports of cotton from Western India of "1865-66 will at least reach a very high average." This expectation has been most fully realised. The customs returns show the year's exports of cotton to be very large.

17. I would here, *en passant*, remark that the *only* reliable data that *can* be furnished regarding the cotton *actually supplied* by Western India is to be gathered from the Bombay Commissioner of Customs' returns.

18. The general expectation was that (owing to a scant rainfall, and the panic that existed in the cotton trade at last sowing season) the cotton trade of 1865-66 would be a very poor one; the reverse has been the case. This is accounted for by two reasons—1st, the high price that until lately ruled in England, and, 2nd, the fact that if the crop of 1865-66 turned out a bad one it would not affect its *own* year—it would damage the *following* one. If 1865-66 had been a bad season, we should have had to look for the fall-off in 1866-67, when the greater part of the 1865-66 cotton will be brought to market.

19. It would be as well, perhaps, to briefly notice the chances that India has got in supplying the future home demand, now that the American civil war is at an end.

20. There can be no doubt that for many years to come it will be impossible to raise in America anything approaching the quantity of cotton that was exported before the war.

21. A matter of paramount importance in this question, as it affects the Indian cotton trade, is the emancipation of American slaves.

22. India has always competed with the southern states of America at an immense disadvantage. American cotton has been raised with a fixed system of slave labour, whilst the Indian cultivation has been dependent upon the varying fluctuations of a free labour market.

23. Now, when the two countries are brought on an equality in the matter of labour, India has a fair chance: and if mischievous descriptions of worn-out staples are

eradicated by energetic and judicious measures (such as those employed in Khandeish during the last year), and superior kinds of cotton introduced instead, then there is no doubt that India has it in her power, with the immense natural resources she possesses, to permanently secure the first place in the cotton-supplying nations of the world.

24. Much surprise has been expressed at the large supplies of cotton sent to England this year from America. This I conclude is accounted for by the fact that very much more cotton was hidden during the war than was expected. It is probable that this unexpected supply is pretty nearly, if not all, expended: if so, the probability is that next year's American cotton exports, which will, of course, have to depend upon this season's *actual produce alone*, will be but very small.

25. I have been at some pains to gather the most authentic opinion on this question, which will, I think, be found in a despatch, dated 18th December last, from Her Majesty's Minister at Washington to the address of the Earl of Clarendon.

26. The Report was compiled in answer to instructions issued by Lord Clarendon, and Her Majesty's Minister submits a memorandum in full that had been communicated by Captain Hickens of the Royal Engineers. The latter officer had special facilities for ascertaining the correct state of affairs. I will only here extract paragraph 4 of this interesting memorandum, in which Captain Hickens writes—"With regard to the crop of 1866 it is more difficult to form a true estimate, but so completely has the system of labour been disorganised by the emancipation of the slaves that the most sanguine speculator does not give more than 1,250,000 bales, and I consider that 1,000,000 is an outside computation."

27. I append a full copy of Captain Hickens's paper, and would respectfully suggest that, if Government approves, copies be printed and circulated to all cotton districts.

28. It should not be forgotten that a great part of this expected cotton crop of one million bales will be required for American home manufactures, and that, unless the foreign trade offers very great inducements, the American merchants are not likely to ship very much of the supply to England.

29. There is every indication that sowing this next season will be most extensive throughout Western India.

Detailed Statement of Cotton Cultivation and the Outturn of the Crop for the season 1865-66 *as compared with* 1864-65, *prepared as called for in Government Resolution No.* 3460A *dated* 13*th September* 1864.

Collectorate.	Cotton Crop for the Year.												1865-66.			Remarks.
	1864-65.						1865-66.						Estimated produce, in Candies of 784 lb.			
	Extent of cultivation, in Acres, of			Estimated produce, in Candies of 784 lb., of			Extent of cultivation, in Acres, of			Estimated produce, in Candies of 784 lb., of			Revised Estimate.			
	Exotic.	Native.	Total.	Exotic.	Native.	Total.	Exotic.	Native.	Total.	Exotic.	Native.	Total.	Exotic.	Native.	Total.	
1. Ahmedabad	.....	327,469 32	327,469 32	.....	20,801 264	20,801 264	5 0	257,641 9	257,646 9	0 185	16,998 552	16,998 737	0 350	16,998 552	16,999 118	
2. Kaira	.....	15,912 26	15,912 26	.....	1,613 216	1,613 216	.....	15,493 0	15,493 9	.....	6,653 39	6,653 39	.....	6,653 39	6,653 39	The revenue survey has been introduced into part of the talookas of this collectorate. Where the survey is complete acres are computed; where not complete the acre has been guided by the "Asra" beegha.
3. Khandeish	3 3	465,521 6	465,524 9	0 47	24,415 8	24,415 55	219,584 4	18,327 8	237,911 12	16,804 710	1,168 648	17,973 574	16,804 710	1,168 648	17,973 574	The exotic of this collectorate is cotton from Berar seed.
4. Surat	.....	331,088 0	331,088 0	.....	28,333 276	28,333 276	4 13	232,866 18	232,870 31	0 97	23,858 317	23,858 414	0 302¾	23,858 317	23,858 619¾	
5. Ahmednuggur ..	5 0	23,348 34	23,353 34	.....	1,155 24	1,155 24	.....	6,828 18	6,828 18	.....	801 72	801 72	.....	801 72	801 72	The crop suffered from the late fall of rain.
6. Belgaum	3,730 33	145,927 32	149,658 25	320 757	4,234 735	4,555 708	3,730 6	163,676 37	167,407 3	126 232	3,824 223	3,950 455	333 38½	10,439 670½	10,772 708½	
7. Dharwar	280,230 1	185,371 29	465,601 30	18,931 207	9,721 81	28,652 288	261,942 21	160,044 36	421,987 17	20,397 692	8,782 417	29,180 325	23,387 568¾	10,206 741	33,594 525¾	The crop in the north-eastern districts suffered for want of rain.
8. Poona	0 12	17,179 36	17,180 8	0 30	1,075 727	1,075 757	0 15	5,317 21	5,317 36	0 160	1,391 316	1,391 476	0 160	1,391 316	1,391 476	
9. Kulladghee	3,264 34¾	333,705 15	336,970 9¾	55 0	17,902 0	17,957 0	3,245 18	269,165 29	272,411 7	186 242	18,763 778	18,950 236	289 605½	18,763 778	19,053 599½	Cotton suffered for want of rain.
10. Sattara	76 9	39,045 19	39,121 28	1 168	1,070 556	1,071 724	30 30	28,285 8	28,315 38	0 562	6,851 381	6,852 159	2 584½	6,851 381	6,854 181½	
Grand Total	287,310 12¾	1,884,570 29	2,171,881 1¾	19,308 425	110,322 535	129,631 176	488,542 27	1,157,556 24	1,646,099 11	37,516 528	89,093 607	126,610 351	40,819 184	97,133 594¾	137,952 778¾	

Camp, Kulghutghee, 9th May 1866.

(Signed) W. Walton,
In charge of the Office of Cotton Commissioner.

30. The sowkars are far from considering that the present depression in the cotton trade will be permanent; and the fact of extensive purchases having been lately made by influential European firms in Bombay has had a most reassuring effect.

31. Native dealers and cultivators have made to me much more intelligent and shrewd observations regarding American politics (as they bear on cotton) than the natives of India are generally given credit for.

32. I have been much surprised at the extent of information that natives possess regarding the United States. The general opinion of the dealers regarding American cotton is that it has a worse chance now of regaining its position than it had during the war. Their deductions seem to me both sound and logical. They maintain that so long as the war was waging, capitalists were waiting their opportunity to at once commence cotton cultivation immediately on cessation of hostilities. Now they affirm that the policy being followed out in the southern states is such as to destroy all confidence, and that they need not fear American rivalry so long as that policy lasts; and judging by American perseverance, or, as many natives have described it to me, *obstinacy*, they expect no change in the present policy for some years to come.

33. I will here shortly notice the effect of cotton prices on Native cotton manufactures. When the raw staple is cheap, cotton manufactures in India flourish; when it is dear the reverse is the case: in short, with cotton at high prices Native manufactures in the Mofussil get all but entirely suspended.

34. The result is that so long as Manchester gives a high price for Indian cotton, so long will there be a great demand for Manchester fabrics; if the price keeps down, Native manufacture will increase, and lessen the demand for English cotton goods.

35. In conclusion I would solicit that, as I only received explicit orders * for submitting this Report on the 6th instant, I may be excused any shortcomings it contains.

* No. 1596 dated 1st May 1866 from Under Secretary to Government.

I have the honour to be, &c.,

(Signed) W. WALTON,

In charge of the Office of Cotton Commissioner.

Camp, Kulyhutyhee, 9th May 1866.

MEMORANDUM.

In May last the Government of the United States put forth a statement to the effect that, as far as their agents and officers had been able to ascertain, there were about 2,500,000 bales of cotton then stored in the southern states.

2. From all that I can learn—and I have taken pains to ascertain the views of the principal planters and cotton factors in South Carolina, Alabama, Louisiana, and Mississippi—there was not at that date in the whole of the South more than 1,200,000 bales, and of this between 100,000 and 200,000 bales are so damaged as to be quite unfit for the manufacture of any fabric.

3. The crop gathered this autumn is never estimated at over 500,000 bales, and the best authorities agree in supposing it to be more nearly 350,000 bales.

4. With regard to the crop of 1866 it is more difficult to form a true estimate; but so completely has the system of labour been disorganised by the emancipation of the slaves that the most sanguine speculator does not give more than 1,250,000 bales, and I consider that 1,000,000 is an outside computation.

5. I visited several plantations in Louisiana, where the system of free negro labour has had a comparatively long and fair trial, as a great portion of that state has been in the hands of the Federal authorities for the last three years.

6. Those people who have had most experience of free black labour assure me that there is the greatest difficulty in getting a fair day's work out of the negroes they employ.

7. A negro has no idea of the sanctity of a contract, and will, as far as in him lies, evade the performance of his part of it. The means in the hands of the planter to enforce its due execution on the part of the labourer are very slender. Summary dismissal for idleness or negligence is out of the question, as there is no other labour in the market, or not in sufficient quantity to be available to be put in competition with the negro.

8. Added to this it is probable that at least one-fourth of the old negro labour is already lost to the agriculture of the South. The mortality among the black population has

been very large, and to this loss must be added the great number of the more intelligent hands, who were impressed or who enlisted into the Federal armies, and those who, escaping enlistment, have swarmed into the large towns, where they find employment much more suited to their taste than that of field labour. There has likewise been more or less emigration, to the North.

9. I very much fear that we must look forward to a still further decrease year by year, and ultimately to the almost total extinction of the race.

10. With regard to the cultivation of cotton by white labour, I believe that, except in the more southern parts of Louisiana, it will be found possible and profitable, and will, no doubt, be eventually managed. But the introduction of white labour must be a very slow and gradual process under the most favourable circumstances; and although the central government may do much to retard, it is powerless to accelerate, the influx of white immigration. As long as the southern states are treated as conquered provinces, denied representatives at Washington, and kept under martial law, they will not present much attraction to the labouring population of the northern states or of Europe; and the same interference with the action of the civil governments of those states which will repel white immigration will keep alive the present antagonism between the planters and the freedmen, and prevent free black labour from being used to the best advantage. Under the most favourable circumstances it is not expected that more than half the old amount of labour will be performed by the negroes, and it will take some time before the influence of white immigration upon the cultivation of cotton is felt.

11. It is, therefore, the opinion of those most capable of forming a true estimate that not more than, on an average, one-half of the old crop of cotton (crop in 1859 3,851,481 bales, in 1860 about 4,000,000) will be produced for several years to come, say 2,000,000 bales per annum.

12. But under existing circumstances, taking into consideration the present prostration of the South, the almost total destruction of stock, agricultural implements, &c., and the great want of money to purchase these agricultural necessities, 1,000,000 bales for the crop of 1866 is, I am convinced, a most favourable estimate.

13. It appears, too, that there is increasing activity in the cotton manufactories of the North, and that they are likely to require more cotton than before the war. There is now an export duty of two or three cents a pound on the raw material, and it is not unlikely that this will be seriously increased* if the European demand is likely to elevate the price to the disadvantage of the Yankee spinner.

* A project for raising the export duty on cotton has been proposed in the American Chamber since Captain Hickens wrote his memorandum; the proposal was unsuccessful.—W.W.

14. Whatever the amount of cotton in future produced in America—and I believe it will eventually be as large each year as before the war—it is not likely that it will ever again be nearly so cheap as in the old days: indeed, the only temptation to white immigrants to undergo the enervating effects of agricultural labour in the South is the very high money-reward promised by the extravagant price of cotton.

15. To recapitulate—

	Bales.
Stock of cotton in South on May 1st, 1865..	1,200,000
Crop of 1865.....	350,000
Crop of 1866.....	1,000,000
Probable average for many years to come..	2,000,000

W. HICKENS, Captain, R. E.

Washington, December 18th, 1865.

No. 1855 OF 1866.

REVENUE DEPARTMENT.

Bombay Castle, 19th May 1866.

MEMORANDUM.

In returning the accompanying Report the undersigned begs to point out to Mr. Walton, especially with respect to the remarks contained in paragraph 35, that Mr. Walton, in his letters to the Revenue Commissioners dated the 1st of

March last, stated "that the regular returns to Government are due about a month hence, and in submitting them I trust I shall be in a position to furnish more reliable data than are contained in this somewhat meagre Report."

2. On looking at the present returns, they appear to be mere counterparts of those previously submitted through the Revenue Commissioners. Mr. Walton is requested to report whether these returns are the only ones he proposes to forward; if so, and as they have already been once submitted to the Government of India, to the Chamber of Commerce, and to the general public, there appears little use in publishing them a second time.

(Signed) F. S. CHAPMAN,
Chief Secretary to Government.

No. 654 OF 1866.

To F. S. CHAPMAN, Esq.,
Chief Secretary Her Majesty's Government,
Bombay.

SIR,—In reply to the above memorandum, No. 1855, dated 19th instant, I have the honour to explain that when I wrote to the Revenue Commissioners on the 1st of March last I was under the impression that Government had ordered annual cotton returns to be submitted direct by the Cotton Commissioner.

2. I afterwards failed to find the instructions of Government, and solicited orders from you with my letter No. 501 dated 21st ultimo, to which I received a reply (on the 6th instant) from Mr. Under Secretary Jacomb, No. 1596 dated 1st instant.

3. Immediately on receipt of this last order (bearing in mind how important it is that Reports of this nature to be useful should be submitted early) I prepared and submitted the papers to which your memorandum under reply refers.

4. I would respectfully explain that the intention of paragraph 35 of my Report is merely to beg indulgence for

any clerical errors that a somewhat hastily written letter might contain; the statistics and substance I had prepared in anticipation of orders on my letter No. 501.

5. The paper submitted is compiled from the Collector's *complete annual* returns; those that I sent to the Revenue Commissioners were from the Collectors' *preliminary annual* statements.

6. Much of the statistical portion of the present Report is a counterpart of the former returns: it however contains a statement of the Khandeish crop which was not submitted to the Revenue Commissioner, and I have also added a "revised estimate" drawn up on the plan of that of Dr. Forbes of last year. This revised estimate gives, I believe, a much more correct idea of the actual crop than any document that has yet been published.

7. In reply to your 2nd paragraph, I would respectfully state that these returns (which together with the Report are, I find from the records, the most complete on the subject that have yet been submitted to Government by this department) are the only ones that I have to submit for the current season.

8. My Reports to the Revenue Commissioners contained but very scant particulars regarding what is being done in the districts; in this letter I have endeavoured to make up for that deficiency.

9. I beg to state that I have not as yet received any orders on the returns I submitted to the Revenue Commissioners in March, and the present is the first intimation I have received regarding their having been forwarded to Government.

10. I would now only respectfully add to my former Report one or two matters that I had omitted regarding the Western India cotton trade of the future. It will, I believe, be found that the state of the cotton market (at the sowing season) will very much less affect cotton-growing than it used to do. Formerly a very large percentage of the cultivation depended upon the Mofussil cotton dealers (they may be termed "middlemen"), who advanced money to the ryôts to meet the latter's expenses in showing. When the price of the staple was high these middlemen advanced liberally towards the expense of sowing, and *vice versâ*. Thus, when it was a bad cotton year the cultivators,

who as a class were wretchedly poor and improvident, turned to the grain dealers, who advanced money for their descriptions of crops. Now the case is very different. The ryots are well to do, moneyed, and independent. They know that cotton cultivation, no matter how low the marketable value of the commodity may be, will always pay at least as well as grain, and the chances are *always* in favour of its paying very much better. These inducements are sure to lead them to pay much more attention to the cultivation of cotton than any other crop, and in all districts (really adapted for growing a superior staple) that enjoy the permanent revenue settlement there is no doubt but that a lasting large cotton cultivation is now firmly established.

I have the honour to be, &c.,

(Signed) W. WALTON,
In charge of the Office of Cotton Commissioner.

Dharwar, 26th May 1866.

APPENDIX I.

WORKING OF THE COTTON FRAUDS ACT.

No. 168 of 1865.

F. S. Chapman, Esq.,
Chief Secretary to Government,
Bombay.

Bombay, 25th October 1865.

Sir,—I have the honour, by direction of the Committee of Management of the Chamber of Commerce, respectfully to request the immediate attention of Government to the doings of one of the Inspectors appointed under the Cotton Frauds Act, which, if not stopped in their present form, threaten to paralyse the cotton trade in an important part of Guzerat at the most critical moment of the season just opened, and at a time when demand for export is unusually great.

2. The Committee have been informed, on evidence of the most reliable character received from the leading cotton merchants of Bombay, both European and Native, that the Cotton Inspector at Dhollera, a native, has taken upon himself to examine every bale of cotton that comes forward for shipment, taking four samples from each bale. He appears to get through from two hundred to three hundred bales per diem, while the stock of cotton awaiting this examination was estimated according to the latest advices received, at thirty thousand bales, and about five hundred bales coming forward from the district daily.

I need hardly point out to Government that an examination of cotton after the fashion which appears to be followed by this Inspector is no part of the duty of any Inspector appointed under the Cotton Frauds Act, that it is in contravention of the spirit of the Act, and if persisted in will in a very short time stop the trade in the Dhollera districts altogether.

The Committee have been informed that the Native dealers are getting so alarmed at this interference with the course of trade, that some of them are seriously contemplating, notwithstanding the additional cost for transport, the shipment of their produce grown in the Dhollera districts from ports belonging to Native states.

That the course of trade has been seriously interfered with is evident to the Committee, from the difficulty European merchants have in getting the cotton they some time since contracted and paid for, and from the small supply received in Bombay at a time when the season is so favourable, and the inducements in other respects so strong to send forward every available bale.

I should mention that it is in the knowledge of the Committee that cotton purchased by European merchants in Bombay on account of firms in England, under contract for shipment within a specified time, is now detained in Guzerat, from the cause above mentioned, at the risk and probable loss of the purchasers here.

To take four samples from a bale is a thing unheard of, when merchants themselves examine and sample cotton at the time of purchase, but to do so for the mere object of detecting fraud is simply vexatious and unjustifiable interference with the freedom requisite for the conduct of the trade.

In conclusion, I am to state, the Committee feel assured the opinion of Government on this subject will prove to be in accordance with their own, and they hope to receive from His Excellency the Governor in Council assurance that the immediate mode of inspection so justly complained of by merchants has been promptly put a stop to by the Government.

I have the honour to be, &c.,

(Signed) JAMES TAYLOR, Secretary.

No. 4193 OF 1865.

REVENUE DEPARTMENT.

To the SECRETARY TO THE CHAMBER OF COMMERCE,
Bombay.

Bombay Castle, 31st October 1865.

SIR,—I am directed, in reply to your letter No. 168 dated the 25th instant, to inform you that the attention of Government had previously been directed to the obstruction caused to the cotton trade at Dhollera by the strictness of the Sub-Inspector, and that immediate orders were issued to discontinue the practice complained of.

2. The examination is now limited to five per cent. of the number of bales exported, and for all purposes of inspection it would be useless to examine a smaller quantity. The Inspector-in-Chief has already been informed that if the agency employed is numerically insufficient it should be increased without delay, and he will be requested either to proceed himself at once to Dhollera, or else despatch the Guzerat Inspector, Captain Moore, in order that the establishment may be put on a thoroughly efficient footing.

3. His Excellency the Governor in Council trusts that the above arrangement will prevent a recurrence of the inconvenience and delay complained of by the Chamber.

I have the honour to be, &c.,

(Signed) H. BIRDWOOD,
Under Secretary to Government.

No. 312 OF 1865.

Poona, 11th September 1865.

MEMORANDUM.

The undersigned presents compliments to the Secretary to the Chamber of Commerce, and begs to forward copy of letter No. 253 of 14th July 1865, with the copy of its accompaniment, as requested in letter of the 6th instant.

(Signed) CHAMBERLEN WALKER, Major,
Acting Inspector-in-Chief Cotton Department.

No. 253 of 1865.

To Alex. Stewart, Esq.,
Chairman of the Bombay Chamber of Commerce,

Bombay, 14th July 1866.

Sir,—I have the honour to forward herewith, to be laid before the Chamber of Commerce, copy of a letter, dated the 7th instant, from Mr. Harrison, Cotton Inspector, which, it will be seen, refers mainly to three matters :—

1*st*.—The advisability of amending Section 2 of Act IX. of 1863 by omitting the words "commonly called cuppas" (para. 3).

2*nd*.—The manner of dealing with "mixed pickings" (paras. 4 to 7).

3*rd*.—The use of certain marks by the owners of presses, in addition to the "press mark" prescribed by Section 9 of the above Act (paras. 8 to 12).

2. May I request the favour of being placed in possession of the views of the Chamber on these points.

I have the honour to be, &c.,
(Signed) S. J. Harrison,
In charge of Office of Inspector-in-Chief
Cotton Department.

No. 15 of 1865.

To Harrington Bulkley, Esq.,
Inspector-in-Chief Cotton Department.

Sir,—With reference to my letter No. 13 of the 12th ultimo, and your reply of the 16th idem, relative to the mixing of different varieties of cotton in the process of ginning carried on in Bombay, I have the honour to submit the following further Report on the subject :—

2. On the very day when I received your communication above referred to, a case came under my observation in which it appeared to me very clear that two different varieties of

cotton were being mixed in a fraudulent manner. It occurred in one of the ginning houses at Colaba, where I found a Mogul merchant in the act of mixing a superior kind of material, which I took to be Broach sawginned cotton, with cotton of seemingly a very inferior quality, and containing a large quantity of leaf-dirt. Samples of both these descriptions were shown to Mr. Cursetjee Bazonjee, the intelligent manager of the Hydraulic Press, and also to Shett Jethabhaee Cullianjee, a man of great experience in the cotton trade. They both thought with me that the cottons were of two varieties, namely, Broach sawginned and Porachu cotton, and I determined to take the case to a magistrate if I could find a European merchant of well-known experience in such matters who could make a deposition to the same effect. In this, however, I was disappointed, for Mr. A. Stewart (now Chairman of the Bombay Chamber of Commerce), to whom I referred, was decidedly of opinion that the cottons were identical in species, though one was of a very inferior quality as compared with the other. This difference of opinion I considered was fatal to the chance of a conviction in the Police Court, and I therefore gave up the idea of prosecuting the supposed offender. In following that course I was guided by the view, in which I trust you will agree with me, that it can serve no good purpose to prosecute parties for offences against the Cotton Frauds Act where there is not a reasonable certainty of a conviction following, or where the probability of such a result appears very slender.

3. It might have been easy to prove against the Mogul a charge of dishonestly mixing clean and uncleaned cotton, but the uncleaned cotton in this case was not "cuppas" or seed cotton, and therefore such mixing would not constitute an offence under Section 2 of Act IX. of 1863, which only makes penal the dishonest mixing of clean cotton with "uncleaned cotton, commonly called cuppas." This limitation of the meaning of "uncleaned cotton" is, I consider, very much to be regretted. Indeed, in the present case the offence was ever worse in its effect than if the uncleaned material was "cuppas;" for the seed would have been removed by the process of ginning, whereas here the ginning only served to distribute more largely the leaf-dirt contained in the inferior cotton. I would beg to suggest a reference to Government on this point, with a view to amending the said section of the Act.

4. Since the occurrence of the above case, I have noticed two or three instances in which parties have brought to the ginning-houses what is called "mixed pickings," in order to be ginned; such cases I feel myself unable to deal with unless I am favoured with your instructions.

5. "Mixed pickings" are distinguished from what is simply called "pickings" by the former being a collection of cotton more or less dirty, picked off the surface of bales of different varieties of cotton previous to their being pressed, or bits of *different* varieties of cotton dropped about the presses in the operation of screwing, or during the preparatory process of weighing; while "pickings" are formed of cotton of *one and the same* species collected in the same manner.

6. I am informed that "mixed pickings" have a value in the market as "mixed pickings," and the fact of their being composed of two or more varieties of cotton cannot, if they are correctly described, be supposed to be the result of fraud; therefore when they are brought to the screws there can be no objection to their being compressed. Our only duty with regard to them will perhaps be to see that they are properly described on the covers of the bales.

7. But the case is altered when "mixed pickings" are taken to the ginning-houses and ginned previous to being offered for sale or compression. Here, when ginned, the cotton is no longer the recognised article "mixed pickings," but is brought out with a new complexion, and so intimately intermixed that it must be in many cases impossible to say if it is a mixture of varieties. Unless where there is a large amount of dirt in them, I cannot see the advantage to the trade of ginning "mixed pickings" intended for exportation, and there is no doubt much of this sort of ginned material is exported. The quality of the material is not improved by the operation, through no doubt higher prices are realised for it after it has undergone this deceptive change. It cannot be, as I have heard it said, that the ginned material occupies less space when compressed with an equal amount of power than pickings unginned; for I know it to be a fact that Dharwar and Broach sawginned cotton has to be pressed in bales of not more than 3 cwt. each, while in its unginned state it can be turned out, like all other unginned cotton, in bales each of 3½ cwt. For these reasons, I think

it may be fairly assumed that where the excuse of a large amount of dirt does not appear, the ginning of "mixed pickings" is in itself a dishonest act. The question, however, involves a nice point of law. It may be pleaded in defence that the mixing took place before the ginning, and that it is that mixing that should be proved to have been dishonest. On the other hand it may be contended that so long as the fact was not disguised that the cotton was composed of mixed pickings, and so long as it was brought and sold as such, no dishonest mixing could be supposed to have taken place; that by the process of ginning a much more intimate commingling was effected, and this in a mixing calculated to conceal the true nature of the material; and that, consequently, it is this latter mixing which, if there be no fair excuse for it, should be regarded as the dishonest mixing constituting an offence under the Cotton Frauds Act.

8. In ordinary cases, where "mixed pickings," or ginned cotton which can be recognised as the result of "mixed pickings," is brought to be packed at the presses, I am of opinion that it is very necessary to insist on the managers of presses marking the bales as "mixed pickings." You are aware that it is a common practice with some Native merchants to put all sorts of false marks on their bales. Any possible deception by this means as regards the condition of the cotton might be avoided by the press-owners affixing where necessary their own marks on the bales, without reference to those used by the merchants. The following will, I think, be sufficient both for mixed and other cottons:—(1) "Pickings," (2) "Mixed P.," (3) "Mixed," (4) "Damaged."

9. With regard to the mark No. 3, "mixed," I beg to observe that cases sometimes do and must occur where cottons get mixed up by accident, or through the ignorance of servants or agents in charge of large supplies. The Cotton Frauds Act gives the Inspectors no power to prevent the compression of the mixed material in such cases. They might insist upon the separation of the varieties where it can be done, but in many instances this is impossible, and then there is no alternative but to allow them to be pressed in their mixed state. A case might also now and then occur in which a merchant bringing, say, a hundred and fifty loose bales of Coompta and a hundred loose bales of Oomrawuttee

cotton at the same time to the screws, finds that, after all that could be pressed of his Coompta cotton has been pressed, there remains a small quantity, perhaps only one-third of what might be contained in a pressed bale. As this quantity cannot be screwed by itself, the owner can do nothing else with it than throw it into his Oomrawuttee cotton, as he is not allowed by the rules of the presses to take it away. In all such cases it seems to me that if the word "mixed" were marked on the bales no deception could occur, and no one would have reason to complain.

10. It only remains for me now to suggest the means of bringing the marks into use at the different presses in Bombay. Section 5 of Act IX. of 1863 provides that the licences granted to the owners of presses shall be "subject to such rules as the Governor in Council may from time to time prescribe." The Government have it thus in their power to make a rule on this subject; and I would humbly suggest that they might accordingly make a rule that the press owners or their agents shall in future use four marks as above, in addition to what is called their "press mark" in Section 9 of the above Act, and shall mark with them all such bales compressed by their respective presses as those marks may be applicable to. This can always be done under the superintendence of one or other of the Inspectors or Sub-Inspectors, who would, of course, assist in bringing to notice those cases in which the marks might have to be applied, and coöperate generally with the managers of the presses, to prevent mixed cotton of any kind passing out of the press buildings without bearing its appropriate mark.

11. The mark "damaged" is already in use at the Hydraulic and Colaba Company's presses and the Framjee Cowasjee press. The Colaba Press Company use also the mark "pickings." With these exceptions I am not aware that such marks are anywhere used in Bombay, and even these are entirely due to the willingness of the Parsee gentlemen who superintend the above presses always to attend to the suggestions of the Cotton Inspectors. Mr. Hormusjee Jamsetjee, the manager of the Apollo Company's press, who has often been spoken to on this matter, has declined to take any responsibility of this sort unless on the receipt of orders from the press owners, represented now by the firm of Messrs. Remington & Co.

12. It is only by a uniform practice in all the presses that any advantage can be expected to result from the measure now proposed. If it is adopted in only two or three of the presses in Bombay, it is quite natural that those merchants who object to their bales being marked as mixed or otherwise will prefer to take their cotton to a press where no such marks are used. I believe that it is this consideration which has prevented the system of so marking bales of cotton being introduced into some of the presses; and I am persuaded that nothing but a rule made by Government in accordance with Section 5 of the Cotton Frauds Act will ever have the effect which is so much to be desired.

I have the honour to be, &c.,

(Signed) S. J. HARRISON, Cotton Inspector.

Bombay, 7th July 1865.

(True copy)

CHAMBERLEN WALKER, Major,
Acting Inspector-in-Chief Cotton Department.

No. 193 OF 1865.

Major CHAMBERLEN WALKER,
Acting Inspector-in-Chief Cotton Department,
Bombay.

Bombay, 23rd December 1865.

SIR,—I duly received and laid before the Committee of Management of the Chamber of Commerce your memorandum No. 312 of 1865, dated 11th September, handing copy of a letter from Mr. Harrison, Cotton Inspector, dated 7th July last, suggesting certain alterations in the Cotton Frauds Act, and requesting the opinion of the Chamber thereon.

In reply I am directed to point out that the letter of Mr. Harrison mainly consists of suggestions on the subject of dealing with cotton pickings, a matter of trivial importance, that hardly deserves the consideration that appears to have been bestowed upon it.

There can be no possible objection to ginning "pickings," whether mixed or otherwise. If the ginning process

increases the value of pickings, so much the better for those concerned; there is nothing fraudulent in the endeavour to improve them; and the only points to be guarded against are their not being passed for other than what they really are, or their being used for adulteration with pure cotton.

The proposal to compel the owners of presses to make use of stamps of the character suggested by Mr. Harrison would be of no practical value if carried into effect, and otherwise would entail trouble and labour on press-owners in a manner of which they would have some reason to complain. Stamps of any sort are of small account with the purchasers and consumers of cotton in England; they place little reliance upon them, and form opinions from their own inspection of the descriptions and values of cotton, of which they are much better judges than those who inspect cotton here can be expected to be.

The most serious evil merchants have to complain of in the matter of cotton adulteration is the mixing of good and bad qualities of the same variety in the same bale. For example, it is a common practice to mix new Oomrawuttee with old, by putting in the same bale good cotton on the outside, from which the samples are usually taken, and inside old and inferior cotton of the same variety. This holds equally true of all other descriptions of cotton known in the Bombay market; there may be a difference of twenty per cent. between the values of the two kinds of cotton in the same bale. Yet of this species of fraud, which frequently causes much loss to purchasers, and is detrimental to the best interests of the cotton trade, the Cotton Frauds Act takes no account. This is a serious defect in the law, and the Chamber may find it necessary to represent the matter to Government, in order that it may be remedied, and the Act made more efficient for the accomplishment of the ends it is intended to serve.

The best service Cotton Inspectors can render to merchants is to see that there is no mixing of good and bad cotton, or of different qualities and varieties. There is much to be done yet before this serious evil can be thoroughly checked, but interference on other points in the matter of inspection may tend to obstruct the cotton trade instead of protecting it.

I have the honour to be, &c.,

(Signed) JAMES TAYLOR, Secretary.

No. 122 OF 1866.

From Lieut. Colonel C. W. WALKER,
Acting Inspector-in-Chief Cotton Department,

To JAMES TAYLOR, Esq.,
Secretary to the Chamber of Commerce, Bombay.

Meeruj, 30th April 1866.

SIR,—As I observe from some proceedings lately taken in the Police Courts in Bombay that merchants are in the habit of making advances on cotton without examining into the quality of the contents of the bales, and that they are thereby liable to be largely cheated, I have the honour to request you will favour me with the wishes of the Chamber as to their being daily furnished with an extract from a book ordered to be kept by officers of this department, noting any "pickings" or "damaged" cotton passed through any of the presses.

2. The information could be supplied in a printed form, which might be hung up in the Chamber for reference.

I have the honour to be, &c.,

(Signed) C. W. WALKER, Lieut. Colonel,
Acting Inspector-in-Chief Cotton Department.

No. 132 OF 1866.

To Lieut. Colonel CHAMBERLEN WALKER,
Acting Inspector-in-Chief Cotton Department,
Bombay.

Bombay, Chamber of Commerce, 16th May 1866.

SIR,—I am directed by the Committee of Management of the Chamber of Commerce to acknowledge the receipt of your letter No. 122 of 1866, dated 30th ultimo, and in reply to inform you that the Committee will be thankful for the information which you mention can be furnished daily from

the book kept by the officers of the department in reference to cotton of a suspicious character passed through any of the presses. If the information can be delivered in a printed form it would be more convenient, but it is not necessary that this should be done if it puts the department to much trouble. The information will be duly circulated amongst the Members of the Chamber, and made public in the Chamber's office as received.

I have the honour to be, &c.,

(Signed) JAMES TAYLOR,
Secretary.

No. 1950 OF 1866.

REVENUE DEPARTMENT.

To the SECRETARY TO THE CHAMBER OF COMMERCE,
Bombay.

Bombay Castle, 28th May 1866.

SIR,—I am directed by His Excellency the Governor in Council to forward herewith copies of the documents noted in the margin, and to request the attention of the Chamber to the points adverted to in paragraphs 4 and 6 of the Government Resolution.

Letter from the Acting Inspector-in-Chief Cotton Department No. 120 dated 30th April 1866.
Government Resolution No. 1948 dated 28th May 1866.

I have the honour to be, &c.,

(Signed) J. KING,
For Chief Secretary to Government.

No. 1948 OF 1866.

REVENUE DEPARTMENT.

Bombay Castle, 28th May 1866.

RESOLUTION OF GOVERNMENT.

His Excellency the Governor in Council regrets that so much delay should have occurred in the submission of this Report.

2. The receipts during the year amounted to Rs. 2,75,195, and the expenditure to Rs. 1,95,118.

3. Only thirty-five cases were successfully prosecuted under the Act, and of these twenty-nine occurred in the Surat and Broach districts. The Acting Inspector-in-Chief explains that the number of these cases cannot be accepted as a true criterion of the usefulness of the Act, as only the most flagrant ones were prosecuted, and as the great majority of owners voluntarily consented to remove their cotton when found to be dirty, in order to have it cleaned.

4. The Chamber of Commerce have already been requested* to favour Government with any suggestions that may occur to them for amending the Act (IX. of 1863); and they should now be further requested to take into consideration the defect adverted to by Colonel Walker regarding the admixture of good and bad qualities of the same variety of cotton.

* Letter No. 2125 dated 18th May 1865.

5. His Excellency the Governor in Council is satisfied that the greatest good may be effected by the Inspectors giving their attention to the introduction of an improved description of cotton in their respective districts, and of a better style of cultivation. What may be accomplished in this way has been recently notably shown in the case of Khandeish, where Mr. Hewett, under the orders of the Collector, has effected an almost complete revolution in the cotton cultivation of that province. The greatest care and caution must, however, be taken to prevent unwarrantable interference with the free action of the ryot. The Inspectors in their efforts in this direction should invariably act under the instructions of the Collector, and bear in mind that their functions as police officers for the prevention of a certain description of offence are quite of a distinct and separate character.

6. As the law at present stands, it is doubtful whether the surplus funds can be applied to the purchase of improved machinery, as to other objects for the general advancement of the cotton trade. In the opinion of His Excellency the Governor in Council these funds might fairly be charged with expenditure of the kind, and the Chamber of Commerce will be requested to state whether they consider an alteration in the law in this respect advisable.

7. Colonel Walker's remarks regarding the inexpediency of entertaining temporary establishments are approved, and the arrangements he has made for changing the system are sanctioned.

8. The proposed increase in the number of Sub-Inspectors is also approved and sanctioned. A detailed account of the mode in which these officers conduct their duties should be furnished, specifying the percentage of bales they examine, and the number of visits they pay to each pressing establishment.

9. The Reports of the several Inspectors should for the future be submitted to Government.

I have the honour to be, &c.,

(Signed) J. KING,
For Chief Secretary to Government.

No. 120 OF 1866.

From Lieutenant Colonel C. W. WALKER,
Acting Inspector-in-Chief Cotton Department,

To F. S. CHAPMAN, Esq.,
Chief Secretary to Government, Revenue Department.

Meerut, 30th April 1866.

SIR,—I have the honour to submit the Annual Report of this department for the past year. The delay in sending it in has been caused by a difficulty in correcting some discrepancies in the accounts, and by the non-receipt at an earlier date of the statements of cotton cultivation in some of the districts.

2. All receipts and disbursements on account of the department are shown in Appendix **A**.

3. The number of bales of cotton exported from the presidency, *i.e.*, from the ports of Bombay, Kurrachee, and Canara, is 1,839,006. The fees levied on the above amount to Rs. 2,71,486-2-6. Press licence fees, fines and sale proceeds of cotton confiscated under Act IX. of 1863, amount to Rs. 3,708-2-9. After deducting all charges for establishments &c., Rs. 1,95,118-8-4, there is left as balance for the year Rs. 80,076-12-11; adding to this the surplus on 1st January 1865, Rs. 1,13,040-3-4, we have a total surplus on 1st January 1866 of Rs. 1,93,117-0-3.

Bales Exported, Fees.....Rs.	2,71,487	2	6
Licence Fees, Fines, and Sale of Adulterated Cotton .. „	3,708	2	9
Total.. Rs.	2,75,195	5	3
Expenditure ..... „	1,95,118	8	4
Balance..Rs.	80,076	12	11
Balance 1st January 1865.. „	1,13,040	3	4
Total 1st January 1866.. Rs.	1,93,117	0	3
Estimated Receipts for 1866. „	85,000	0	0
Estimated Total for 1866.. Rs.	2,78,117	3	3

4. The above statement shows that, notwithstanding the reduction of the fee on each bale of cotton exported from four to three annas, a more than sufficient sum for the purposes of the department was realised during the year. I do not consider that any further reduction in the fee can be made. The exports of the current year are likely to fall off considerably, and it will be my duty further on to propose for sanction an increase to the establishment both in Bombay and in the Mofussil.

5. The comparative statement in Appendix **B** gives the area of land under cotton cultivation, with the outturn of cotton, in 1865, and the estimate for 1866.

6. The very large decrease in the cultivation of cotton is accounted for by the great reduction in the value of cotton since the close of the war in America, and the high price to which cereals had risen in consequence of their cultivation having been neglected in favour of cotton during the previous year. The decrease, it will be observed, is general throughout the presidency.

7. The estimated crop of cotton for the present year grown in the presidency will yield about 360,298 bales, which at three annas a bale will give for the fund Rs. 67,556. We shall have above this a large quantity of cotton shipped from our ports, but grown beyond the limits of this presidency, and of which no estimate can be formed at present.

The shipments from Kurrachee of cotton brought down the Indus from Mooltan and Ferozepoor are expected to be very large, and the extension of the railway into the Central Provinces is daily adding to the exports from Bombay.

8. Convictions under Act IX. of 1863 are shown in Appendix C. The chief number of these, as in 1864, were obtained in Surat and Broach. The number of these cases is not a fair criterion by which to judge of the usefulness of Act IX., or of the activity of officers appointed to carry out its provisions. Only decidedly fraudulent cases are brought up before the magistrates. The great majority of cotton owners are found ready at once to remove and have cleaned or separated any dirty or mixed cotton which is objected to by this department, rendering prosecution almost invariably unnecessary.

9. I beg to refer to Appendix D, which gives the number of all presses licensed in this presidency. In the presidency town the number of steam presses has increased from 92 to 117. In Kurrachee, where nearly all cotton is now exported direct to Europe, steam presses have been increased from two to twelve. Steam presses have been established at Sholapoor, and in Khandeish machinery is ready, and buildings are partly prepared for an establishment at Barsee, and in Broach steam presses are nearly ready for work. Within the next few years I have no doubt a large increase of steam presses will be observed throughout the presidency.

10. The full pressing of cotton upcountry will materially aid this department in its operations. Much of the cotton for the home market, instead of being passed through the Bombay presses, subject only to the necessarily hurried inspection of officers in Bombay, will, by being distributed through the several Mofussil establishments, come under a more leisurely and careful scrutiny of the department.

11. The present great dislike which natives have to whole-pressing upcountry is caused by its interfering in a great measure with a long-established system of cheating. When advocating the use of the East India Company presses at Sholapoor, after successfully meeting several objections, I was at last told by Native agents on the spot that the really great difficulty lay in that the cotton pressed there and stamped according to law with the press mark would be known in Bombay as Sholapoor cotton, and could not

therefore be passed off as Oomrawuttee, Dhollera, or other superior staple.

12. The rapid extension of steam-ginning factories is a further assistance in gaining the objects for which Act IX. of 1863 was introduced. In these large establishments, conducted by respectable companies, and supervised by this department, it will be difficult, if not impossible, to wilfully and fraudulently mix or adulterate cotton, as is now done or attempted where only Native churkas are used.

13. Steam-ginning factories have been in full work in Guzerat, Khandeish, Sholapoor, and Sind. Cotton is turned out in a state of great cleanliness, and without, as I am informed, the slightest injury being done to the staple.

14. On a late occasion I saw nearly two hundred and fifty steam gins at work in Broach, where cotton was being brought in quantities sufficient to keep all the establishments at full work for some months. The factories of Mr. Greaves and other enterprising gentlemen, European and Native, were turning out daily immense quantities of cotton in a most perfect state of cleanliness.

15. Steam gins were gaining so much in estimation in Khandeish when I was in that zilla, that I found cotton taken to the factories from points many miles on the Bombay side of Julgaum, and other places where the factories were situated along the line of railway, proving that the advantages of steam ginning were at least worth the cost of extra cartage and railway mileage.

16. The general introduction of steam-ginning factories with steam presses, in close proximity for whole-pressing, is a mere matter of time, but knowing how difficult it is to persuade upcountry natives to see the ultimate advantages of costly and complicated machinery, it is in my opinion very necessary at once to facilitate measures for half-pressing, particularly along the G. I. P. Railway lines, which are absolutely choked by the monstrous docras of loose cotton lying in thousands at most of the stations in the Deccan and Khandeish.

17. I hoped that the lever press constructed in the Dharwar Factory would have answered the purpose, but find that from its cost, the small size of the bale turned out, and the expense of gunny and lashing, that cotton owners

will not purchase it, and that at the several places where it has been put up by Government they will not use it.

18. All the cotton sent from Guzerat to Bombay is half-pressed in screw presses which have long been in use in the country. The machines are extremely simple and strong, and have many advantages, as reported in my letter to your address No. 81 of 10th March 1866.

19. I have no doubt that ere long a more efficient machine than any yet produced will be invented for half-pressing, but to expedite matters I think it might be advantageous to offer a handsome reward to the inventor of the best press suitable to the requirements of the case, fixing the time of competition to 1st September 1866, so that the best machine might be at work at the opening of next season. Now that we have good cotton in Khandeish, it is of great importance that we should get it down to the coast expeditiously and in good condition.

20. The department has continued to act with caution and discretion in carrying out the provisions of Act IX. of 1863, endeavouring to enlist the sympathies of the people in its favour, rather than irritate them by showing an uncompromising determination to enforce the law to the very letter. The results of this policy are admitted by gentlemen of the greatest experience in the cotton trade, by the managers of the large ginning factories, and by the Inspectors in this department on duty at the presses in Bombay, to be most satisfactory. There can be no doubt as to the benefits conferred on the cotton trade of this presidency by Act IX. Seldom or never have we cases of cotton wilfully deteriorated by the admixture of foreign matter. The staple reaches Bombay, as I am informed by persons constantly at the presses, in a state of comparatively great cleanliness, and in condition very superior to that of former years.

21. Many persons think that the Act is not sufficiently stringent, and that the necessity for proving that cotton found adulterated has been fraudulently or dishonestly so treated should not now be required. I do not wish to see any alteration made on this point.

22. I beg to point out an omission in the law. The mixture of good and bad qualities of the same variety of cotton in the same bale is not provided against. Nearly every mode of deteriorating cotton is taken notice of in

Section 2 of the Act, but it is silent on the point above adverted to. I believe it would be extremely difficult to get evidence to satisfy a magistrate as to the mixture of well preserved old with new cotton of the same variety. I have only here alluded to the subject, as the Chamber of Commerce referred to it in a communication I had the honour to receive from their Secretary, as a serious defect in the law, and one to which it might be necessary to draw the attention of Government with a view to its remedy, by making the Act more efficient for the accomplishment of the ends it is intended to serve.

23. However much has been effected by this department in carrying out the provisions of the Act, very much remains to be done. The greatest watchfulness is required. Any relaxation in inspecting would in a short time, I believe, reduce cotton to a worse state than it was in when the necessity for amending the law was clearly proved in 1863. In support of this assertion I would point to Dharwar, where, in consequence of the absence of an Inspector through a vacancy in the office for some months, and the residence of the new Inspector having been fixed at Belgaum, persons believed that the provisions of Act IX. were not to be further enforced, and at once commenced a great system of adulteration, which has only been checked by the earnest and active inspection carried on this season by Mr. Blackwell since his head-quarters have been fixed at Dharwar.

24. I would here point out that the system of appointing some of the Mofussil establishments for only eight months in the year appears to me very defective. The rainy season is supposed to commence on the 1st of June and to close on 1st October, and between these dates Mofussil Sub-Inspectors are discharged. As cotton traffic does not greatly decrease until perhaps three weeks after discharge of the establishment, and as it is continued when possible during temporary lulls in the rains, recommencing in full force in the month of September, if the monsoon happens to be an early one, many thousand bales pass down the country without inspection, and, as may be supposed, advantage is taken of the absence of officers of this department to get through in those times such adulterated or deteriorated cotton as could not be brought forward with safety at other seasons of the year.

25. The appointment of temporary establishments is

further objectionable, I think, in that the department is unable to obtain for broken periods the services of the best men. Those who are entertained are naturally on the look-out for permanent situations, and, on opportunities offering, leave the department when, after considerable trouble to their superiors, they may have become efficient officers. Trade too may be greatly inconvenienced by the constant entertainment of new officers; an instance occurred this season, where, by the misapprehension of orders by a Sub-Inspector who had just joined his appointment at the opening of the season, the cotton traffic from Dhollera was for a few days nearly closed.

26. I propose to remedy this evil by making the appointments of Sub-Inspectors permanent, reducing as far as practicable the monthly pay now given during eight months, so as not to greatly burden the fund. The total monthly increase on this account will be Rs. 1,010.

27. Taking advantage of the permission granted in Government Resolution No. 2163 of 23rd May 1865, the department has distributed seed in several zillas, as will be more particularly noticed further on. I think more advantage should be taken to employ this department as a medium for the improvement both of the quality and condition of cotton. It is true that the officers are appointed for a certain purpose under Act IX., but I do not see why, at seasons of the year when their more legitimate duties necessarily are light, they should not employ their time to the benefit of the cotton trade in general. Nobody is more averse than I am to the least interference with the ryots in their field operations, but I quite agree with the officer in charge of the Cotton Commissioner's Office, who, in letter No. 47 of 11th January 1866, paragraph 5, states —— "I would also beg to add that the officers of the Cotton Frauds Department may do much good in this matter. On their tours through the districts, incalculable benefit may be brought about by their persuading the people to sow nothing but good and large seed, and give the small and inferior as food for cattle. There are also other points in my circular to which these officers might devote much profitable attention on their journeys through the cotton districts of the presidency."

28. In shortly reviewing the duties performed by the establishment in Bombay and the Mofussil, I will point out

where I find the agency defective, and suggest remedies in each case.

Bombay.

Inspectors—Messrs. J. Bulkley, S J. Harrison, C. Wilkinson.

29. The gentlemen named in the margin, assisted for six months by Mr. W. Walker during Mr. Bulkley's absence on leave, ably conducted the duties of inspecting at the presses. Under these gentlemen were appointed seven Sub-Inspectors, sanctioned in Government Resolution No. 1447 of 6th April 1865. The duties of these latter officers renders their constant attendance necessary in the presses as long as they are at work. For certain good reasons Europeans have been selected for these appointments, and they have as a general rule been found extremely useful in carrying out the provisions of the Act under which they work.

30. From the opening of twenty-three new steam presses, and the impossibility of placing some of them, from their distance, under the supervision of men already in the department, I am obliged to solicit sanction for the appointment of two more Sub-Inspectors on pay of Rs. 150 and Rs. 100 respectively.

31. The cotton which was passed through the presses in Bombay was found very much cleaner than that of the year 1864. Cotton from Surat and Broach appeared to have been more carefully picked than that from Ahmedabad. The dirtiest of all came from Kattiawar.

32. A few instances of attempting to pass off an inferior variety of cotton as "finest Dharwar" or "Oomrawuttee" were taken notice of by this department. Evidence sufficient to obtain convictions in a Police Court under Section 437 of the Penal Code could not be produced, but the judicious warning given by the magistrate, and the expressed determination of this department to aid as far as possible in putting down the evil, has had a most beneficial effect as far as attempts to falsely mark bales are concerned.

33. It is said by many merchants that the marking of bales in this country is quite immaterial, as purchasers in England trust only to their own examination of the staple on its arrival. I would, however, in opposition to this view, instance a case which occurred last year, of two lots of Verawul

cotton being sent to England, one lot being fairly marked Verawul, and the other Dhollera; the latter cotton obtained the higher price ruling for the Dhollera, while the former was only paid for as the less valuable Verawul.

Ahmedabad and Kaira.

Inspector—Captain A. T. Moore, V.C.

34. The chief difficulties to be contended against are the careless picking, and therefore leafy and dirty state, of the cotton, and frequent endeavours to adulterate with a very inferior staple grown in Marwar. The Inspector has addressed himself with energy to overcome these great evils by personal influence, and the circulation of printed notices containing valuable advice. He has partially succeeded in persuading cultivators to be more careful in picking their crops, and by constant watchfulness and inspection of cotton passing through his districts he has driven the Marwar cotton intended for adulteration beyond his districts, either into the territories of His Highness the Guicowar or into Broach, where it is well looked after, notice being always given by the departmental officers of Ahmedabad of the despatch of any suspicious cotton through our districts. About 2,000 bales of this inferior Marwar cotton passed down during the year.

35. As noted in paragraph 25 of this Report, a temporary check to the export of cotton took place at Dhollera at the opening of the season. From 25,000 to 30,000 half-pressed bales were collected for exportation, and the newly-appointed Sub-Inspector, having seen reason to suspect that advantage had been taken to bring forward deteriorated or adulterated cotton during the absence of an officer of this department, was anxious to inspect a large proportion of that accumulated at Dhollera. The obstruction was early removed by Captain Moore, the very efficient Inspector.

36. Half-pressing is carried on until heavy rain sets in, which is sometimes not before the end of June, and advantage is taken of all fine weather to prepare for export at the earliest moment. I propose, with a view to obviating future difficulty, that another Sub-Inspector, on Rs. 80 per mensem, be given to the Inspector for employment at Dhollera. During the greater part of the year the work is more than can be properly attended to by one man.

37. The Collector, who takes very great interest in cotton cultivation &c. in his district, has reported favourably on the working of the department during the year.

Surat and Broach.

Inspector—Mr. J. H. Merritt.

38. The Inspector has been extremely active in endeavouring to suppress adulteration, and to put a stop to robberies along the coast. He has been very successful in obtaining convictions in cases sent up before magistrates, which has done much towards putting an end to a system of deteriorating cotton for which Broach has an unenviable name. I have been informed by some of the best judges in Broach that cotton is much cleaner and in better order than in former years.

39. Small quantities of "Dharwar American" seed were distributed by the Inspector for experiment in several villages, but none of it succeeded. I hope to have Egyptian tried next season, as it is supposed to be better suited to the district than any other cotton of good staple.

40. I am not satisfied with the working of the preventive boats employed to put an end to robberies of cotton by boatmen on their way down the Surat and Broach coast. This branch would be much more efficient if officered by European Preventive Inspectors, but I fear such cannot be obtained on the amount of pay now sanctioned. I am in communication with the Commissioner of Customs on the subject of prevention of robberies of cotton, and will not, therefore, now make any suggestion for the improvement of the service.

41. There is reason to believe that the Nawab of Sucheen or his officials are not very anxious to assist in preventing the landing within Sucheen territory of cotton stolen from boats passing down the coast. It is said that a very considerable trade is done in this way, and so convinced was Mr. Robertson, the Collector and Agent, of the bad faith of the Nawab, that I understand he wrote in very pressing terms to the Durbar. I feel certain that the present Agent will keep a watchful eye on the State, and continue every assistance in his power to this department.

42. Mr. Robertson, the Collector, in forwarding Mr. Merritt's Annual Report, expressed great satisfaction at his

exertions, and spoke highly of his "zeal, energy, and activity in the performance of his duties."

43. I must solicit another Sub-Inspector for Broach, on Rs. 80 per mensem. By the present arrangement one Sub-Inspector is supposed to look after all the cotton collected in the town of Broach as well as that of the surrounding districts. There is quite as much as one man can possibly attend to now in Broach, with nearly 250 steam gins at work, and when the steam presses, nearly completed, commence operations, it will be absolutely necessary that a Sub-Inspector should be constantly present in Broach.

KHANDEISH.

Inspector—Mr. P. W. Hewett.

44. The great feature of the season has been the introduction of Berar seed, which has been already so favourably reported on by the Collector and others that I need not further refer to the subject here. The cotton has proved of excellent quality, as shown by the higher price obtained in the market. Mr. Hewett may, I think, well be proud of the measure, to the success of which he so greatly contributed. For some time the greatest watchfulness will be required to keep the Berar cotton pure, and I have no doubt but that the officers of this department employed in Khandeish will devote their spare time and influence to perfecting the good work so far advanced. Old Khandeish cotton, so long used chiefly for adulterating purposes, will, I trust, now be completely eradicated.

DHARWAR, BELGAUM, AND KULLADGHEE.

Inspector—Mr. G. Blackwell.

45. As alluded to in paragraph 23 of this Report, it was found that the absence of an Inspector from Dharwar led cotton cultivators and others to believe that they might return to the bad practices checked by the introduction of Act IX. in 1863. On my removing Mr. Blackwell to Dharwar, that gentleman commenced a rigorous inspection, and with, as I am informed by those better able to judge, very great success. Although several prosecutions failed, for want of sufficient legal proof, a wholesome dread was at once instilled, and a practice which had threatened to injure the good name of Dharwar cotton has, by Mr. Blackwell's energy and tact, been nearly stopped.

46. The condition of cotton in Dharwar and parts of Belgaum is said to be very good, but opinions differ as to the purity of what is sold as exotic. I believe there is no doubt that much indigenous is mixed in sowing with the exotic variety, and it is very difficult, I know, for this department to prove fraudulent mixture under such circumstances. The Inspector's attention has been drawn to the ginning establishments where accidental and fraudulent mixing of cotton and seed usually take place. A few convictions lately obtained, and the Inspector's continued zeal, will, I trust, have a good effect.

47. In Kulladghee the little cotton grown is of a very inferior sort. The Collector and First Assistant, in communication with Mr. Blackwell, will, I trust, succeed in their endeavours to improve the cotton of the district.

48. This department is very short-handed in Dharwar and Belgaum. Two Sub-Inspectors are quite unequal to the work which should be performed, and, now that we have to put forth all our energies in competing with American-grown cotton, I am quite certain that it would be unwise to refuse an increase to the establishment where, as in Dharwar, the most valuable cotton in this presidency is now grown. I solicit, therefore, sanction for an increase of two Sub-Inspectors on Rs. 80 each per mensem.

SATTARA, POONA, SHOLAPOOR, AND AHMEDNUGGUR.

Inspector—Mr. E. Manley.

49. Within Mr. Manley's range the chief cotton-growing district is Sholapoor; I have therefore removed the Inspector's head-quarters to that place from Poona. Mr. Manley has travelled through the several zillas under his charge, and has suggested experiments being made with a view to improve the cotton grown in some of the Sattara talookas, and a trial of Berar seed in Sholapoor.

50. The establishment of gins and steam presses at Sholapoor has tended to make that railway terminus a great cotton emporium, where I think a Sub-Inspector should be constantly stationed. When I was on my tour at Sholapoor I saw about 15,000 docras of cotton waiting for transport, and at Barsee about 10,000. A proportion of these should have been inspected by this department, but as the only officer, Mr. Manley, was then absent in the Ahmednuggur district, this very excellent opportunity was lost, and

throughout the season unless the Inspector is present no inspection can take place. There are particular reasons why a European should be appointed at this station. I would therefore solicit sanction for one Sub-Inspector on Rs. 150 monthly pay.

CANARA.

Inspector—Mr. R. B. Stranack.

51. The principal duty is to inspect cotton arriving for export at Karwar and Coompta. 3,572 pressed bales were shipped from the former port during the year. The cotton from Coompta is improved, but great watchfulness is required, as an immense amount of roguery in the cotton trade takes place there. The Inspector has done much good by constantly visiting Coompta and being very strict in his inspections.

52. I think a mistake has been made in leaving the port of Vingorla, in the Rutnagherry zilla, without any officer of this department: 45,000 bales passed through the port during the year under report without any inspection whatever. I would propose the appointment of a Sub-Inspector on Rs. 150 per mensem, and place the supervision of the district under the Inspector of Canara, whose pay should be raised from Rs. 700 to Rs. 800 per mensem, to cover the extra expense of constantly visiting Vingorla and the coast, where cotton stolen from boats coming up the coast is landed. This is the most convenient and economical plan I can suggest with due regard to the performance of what I consider a necessary duty.

HIS HIGHNESS THE HUBSHEE'S TERRITORY.

Inspector—Mr. Kazee Burroneedeen.

53. The inspection carried on along the coast of His Highness's territory has been very effective. There is no reason to doubt the good faith in which the Durbar has acted, and I believe the measures adopted keep in complete check all attempts to resort, as formerly, to Jinjeera and other places for the purpose of committing robberies and frauds on cotton in transit to Bombay. As it has been found very necessary to keep up this establishment during the entire year, I request it may now, after a trial of two years, be made permanent, without requiring a special sanction every season.

SIND.

Inspector—Mr. A. W. Hughes.

54. Owing to the working of steam presses, the Inspector, being alone in the department, is obliged to remain in Kurrachee, when I think he should be at liberty to travel through the districts, and advise with the Collector and Political Officer on the subject of both increasing the quantity and improving the cultivation of cotton.

55. Mr. Hughes states that there are 3,000,000 acres capable of growing cotton. The cultivation of exotic varieties has extended in the year from eighteen to five hundred acres, and, as considerable interest is taken in the growth of cotton by officials in Sind, I believe cultivation will be largely extended, and more particularly so when it is ascertained, after experiments now being made, what varieties are best suited to the several parts of Sind. The very zealous Inspector has issued for experiment Egyptian, Peruvian, and New Orleans seed, and has also tried a very small quantity of "Bourbon indigenous" obtained from a few plants growing at Rutnagherry; other varieties have been forwarded by the Cotton Supply Association of Manchester, but will, I fear, reach too late for sowing this year, the season for that operation being very early in Sind.

56. The poor and cheap cotton grown in Sind has mostly been used for the purpose of adulteration. It is therefore a great object with this department to substitute a staple of superior value, in order to decrease the means of adulterating the finer cotton grown in the old provinces.

57. Since the establishment of steam presses at Kurrachee large quantities of cotton are shipped direct to Europe. During the year 8,725 bales were thus exported, and it is estimated that 70,000 bales may leave the port of Kurrachee in the current year.

58. Cotton grown in Sind is reported to have come down in improved condition; what I saw in the country was certainly very clean. That which descends the Indus from Ferozepoor is very dirty, and has frequently to undergo fresh ginning in Kurrachee before the Inspector of this department allows it to pass through the presses.

59. There are now at work in Kurrachee twelve steam presses, and three worked by manual labour. In order that

proper attention may be paid to the cotton passing through them, I beg to propose the appointment of a Sub-Inspector on Rs. 150 per mensem. When it is remembered that since the establishment of this department was fixed for Sind the presses have increased in Kurrachee from five to fifteen, I think it will be admitted that the addition I now solicit is urgently required.

FOREIGN STATES.

60. Finding in the presses in Bombay that cotton brought from the Baroda State and from parts of Kattiawar was very leafy and dirty, I addressed the Resident at the Court of His Highness the Guicowar and the Political Agent in Kattiawar, and through these gentlemen several hundred copies of the address to cotton cultivators issued early this year by the Manchester Cotton Supply Association have been supplied to the several durbars. The Minister of His Highness the Guicowar, in a personal interview, informed me that he would urge on cultivators the necessity for care in picking and sending to market cotton in a clear and pure state.

61. Messrs. Peel, Cassels, and Co., Agents to the Cotton Supply Association of Manchester, having requested my advice as to the best means of bringing to general notice the excellent address of the Association to cultivators, I undertook to have translations made and copies issued throughout the presidency by the officers of this department. Translations were at once made by the several Inspectors, and nearly 10,000 copies in Marathi, Gujarathi, Canarese, and Sind, were distributed by the department.

62. I beg to append Table E, showing the present establishment and cost of the department compared with that for which I have now the honour to solicit sanction.

63. I have also to request permission to give rewards as below to persons who, totally unconnected with the department, have been conspicuous in rendering valuable aid to our officers:— to Cowasjee Sonajee of Broach, for informing in a case of cotton robbery resulting in conviction of three boatmen, who were sentenced each to three months' rigorous imprisonment, a reward of Rs. 50; to the Fouzdar of Hooblee, for rendering great assistance in bringing to

light certain cases of adulteration prosecuted before the first Assistant Magistrate of Dharwar, Rs. 50; to the Mamlutdar of Gudduck, for most willing aid in bringing forward two cases of adulteration at Betgiri, Rs. 50; to Police Naique of Ghowsoo, Talooka Gudduck, for material assistance in the same case, Rs. 20; total rewards 170.

64. In concluding this Report I may mention that with the exception of Kulladghee and Shikarpoor all the presidency has been visited by the Chief of this office within a year. Mr. Bulkley went to Belgaum, Dharwar, and Canara just before he was obliged to leave the country on sick certificate, and since taking office I have visited the Deccan, Khandeish, Guzerat, and Sind as far as Hydrabad.

I have the honour to be, &c.,

CHAMBERLEN W. WALKER, Lieut. Colonel,
Acting Inspector-in-Chief, Cotton Department.

STATEMENTS.

A.

STATEMENT showing the Receipts and

Collectorate.	Receipts.					
	Sale of Seed.	Fees levied on Bales exported to Europe.	Licence Fees on Cotton Presses.	Fines and Sale Proceeds of adulterated Cotton under Act IX. of 1863.	Retrenchments for Peons' Clothing, Savings, &c.	Total.
1	2	3	4	5	6	7
	Rs. a. p.	Rs. a. p.	Rs.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Ahmedabad	....	....	146	525 4 8	22 1 0	693 5 8
Ahmednuggur	....	....	..	.....	3 13 6	3 13 6
Bombay	....	....	..	.....	.....	.....
Belgaum	....	....	..	.....	1 1 3	1 1 3
Canara	....	....	30	.....	11 15 9	41 15 9
Dharwar	....	....	2	.....	6 7 8	8 7 8
Hydrabad	....	....	..	.....	.....	.....
Kaira	....	....	2	.....	.....	2 0 0
Khandeish	122 0 5	....	1	.....	20 8 4	143 8 9
Kurrachee	9 12 3	6,777 4 0	28	.....	29 12 0	6,844 12 3
Kulladghee	....	....	..	.....	.....	.....
Poona	....	....	..	.....	237 4 8	237 4 8
Rutnagherry	....	....	..	.....	.....	.....
Sattara	....	....	..	.....	.....	.....
Sholapoor	....	....	..	5 0 0	.....	5 0 0
Shikarpoor	....	....	..	.....	.....	.....
Surat	4 9 5	....	171	2,206 14 1	24 9 5	2,407 0 11
Tanna	....	....	..	.....	.....	.....
Commissioner of Customs, Salt, and Opium	....	2,64,709 14 6	971	.....	890 6 4	2,66,191 4 10
Grand Total..Rs.	136 6 1	2,71,487 2 6	971	2,737 2 9	1,247 15 11	2,76,579 11 3

Disbursements of the Cotton Improvement Fund during 1865.

Disbursements.					
Pay of the Establishment.	Permanent Travelling and Conveyance Allowances.	Contingent Charges of every description.	Rewards.	Advances.	Total.
8	9	10	11	12	13
Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
13,119 15 10	1,767 11 10	420 11 3	100 0 0	.....	15,408 6 11
2,346 0 0	800 0 0	175 3 6	.....	.....	3,321 3 6
.....	.....	.....	.....	.....	.....
3,650 9 10	509 10 10	311 9 9	.....	.....	4,471 14 5
7,651 0 7	2,655 8 0	309 10 6	100 0 0	.....	10,716 3 1
3,845 11 3	878 9 2	12 2 1	.....	6,259 5 2	10,995 11 7
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
9,921 0 0	1,800 0 0	350 9 0	300 0 0	200 0 0	12,571 9 0
6,789 11 1	2,350 0 0	704 15 11	200 0 0	.....	10,044 4 11
.....	.....	.....	.....	.....	.....
21,714 7 4	2,393 8 2	168 5 5	.....	.....	24,276 4 11
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
18,424 1 3	2,400 0 0	211 5 0	400 0 0	55 0 0	21,490 6 3
.....	.....	.....	.....	.....	.....
11,634 0 0	6,479 10 7	1,794 8 9	.....	8,161 13 6	83,070 1 7
1,54,096 9 11	22,034 10 7	4,459 1 1	1,100 0 0	14,676 2 8	1,96,366 8 3

Chamberlen W. Walker, Lieut. Colonel,
Acting Inspector-in-Chief Cotton Department.

B.

Comparative Statement of the Area of Land under

Locality.	For the Year			
	Indigenous.		Exotic.	
	Acres.	Pounds.	Acres.	Pounds.
	1	2	3	4
Ahmedabad	327,469·32	16,373,500	....	....
Ahmednuggur	23,250·30	3,525,026	....	....
Bombay	....	....	....	....
Belgaum	145,927·32	3,620,191	3,730·33	251,637
Canara	....	....	....	....
Dharwar	185,373·29	30,484,887	28,030·10	44, 526,334
Hydrabad	38,486·30	1,924,350	....	....
Kaira	16,146·00	807,300	....	....
Khandeish	465,521·60	23,276,050	3·30	150
Kurrachee	7,703·40	385,150	78·12	3,900
Kulladghee	355,069·29	17,753,500	2,731·19	136,550
Poona	17,179·36	3,318,848	....	....
Rutnagherry	....	....	....	....
Sattara	62,065·34	3,103,300	74·50	3,700
Sholapoor	18,437·37	8,440,780	....	....
Shikarpoor	41,465·21	2,073,300	....	....
Surat	331,088·00	16,554,400	....	....
Tanna	....	....	....	....
Frontier of Upper Sind	1,918·33	95,950	51·60	2,550
Total	2,037,105·5	171,436,632	34,698·39	44,924,821

1864-65.		For the Year 1865-66.	
Total.		Indigenous.	
Acres.	Pounds.	Acres.	Pounds.
5	6	7	8
327,469·32	16,373,500	257,641·90	12,882,050
23,250·39	3,525,026	6,828·18	628,056
....	....	....	....
149,658·25	3,571,828	103,676·00	2,993,239
....	....	....	....
465,603·30	95,011,221	160,045 36	27,547,550
38,486·33	1,924,350	23,373·39	1,168,700
16,146·00	8,07,300	15,403·00	770,150
465,524·90	23,276,200	18,327·80	916,350
7,781·16	389,050	6,612·90	330,600
357,801·80	17,890,050	269,165·29	13,458,300
17,179·36	3,318,848	5,317·21	1,190,860
....	....	....	....
62,139·39	3,107,000	28,285·80	1,414,250
18,437·37	8,440,780	42,074·39	3,818,929
41,465·21	2,073,300	28,179·30	1,409,000
331,038·00	16,564,400	232,866·00	11,643,300
....	....	....	....
1,969·39	98,500	2,289·32	114,5[illegible]0
2,071,804·40	216,361,353	1,258,084·16	80,290,8[illegible]4

For the Year 1865-66.			
Exotic.		Total.	
Acres.	Pounds.	Acres.	Pounds.
9	10	11	12
5·00	250	257,046·90	12,882,300
.....	.....	6,823·18	623,056
.....	.....	.....	.....
3,730·60	99,016	167,406·60	3,097,255
.....	.....	.....	.....
261,943·21	49,695,441	421,987·17	77,242,991
.....	.....	23,373·39	1,168,700
.....	.....	15,403·00	770,150
219,584·40	10,979,200	273,911·12	1,189,550
117·25	5,900	6,729·34	3,361,500
3,245·18	162,250	272,411·70	13,620,550
.....	.....	5,317·21	1,190,860
.....	.....	.....	.....
30·30	1,550	28,315·38	1,416,800
.....	.....	42,074·39	3,818,929
7·90	350	28,186·39	1,409,350
4·12	200	232,870·31	11,643,520
.....	.....	.....	.....
43·20	2,150	2,332·12	116,600
491,710·35	60,946,307	1,749,795·11	141,237,141

Cotton Cultivation, and the estimated Produce, during 1865 *and* 1866.

Increase in 1866.				Decrease in 1866.			
Indigenous.		Exotic.		Indigenous.		Exotic.	
Acres.	Pounds.	Acres.	Pounds.	Acres.	Pounds.	Acres.	Pounds.
13	14	15	16	17	18	19	20
....	....	5·00	250	60,828·23	3,491,450	....	....
....	....	.....	.....	16,422·11	2,807,000	....	....
....	....	.....	.....	.....	....	....	....
17,748·21	3,21,052	.....	.....	.....	....	....	....
....	....	.....	.....	.....	....	....	....
....	....	.....	.....	25,326·33	2,937,837	18,287·20	914,350
....	....	.....	.....	15,112·34	755,650	....	....
....	....	.....	.....	743·00	37,150	....	....
....	....	219,581·10	10,979,060	447,193·30	23,359,650	....	....
....	....	39·13	1,950	1,032·35	54,650	....	....
....	....	513·39	25,700	85,904·00	4,295,200	....	....
....	....	.....	.....	11,862·00	2,127,988	....	....
....	....	.....	.....	.....	....	....	....
....	....	.....	.....	33,780·26	1,689,050	....	....
....	....	.....	.....	42,067·30	4,621,245	....	....
....	....	7·90	350	13,285·29	664,300	....	....
....	....	4·12	200	98,222·00	4,911,100	....	....
....	....	.....	.....	.....	.....	....	....
370·39	18,550	.....	.....	.....	....	8·26	450
18,119·20	340,502	220,150·34	11,007,500	860,841·10	51,742,270	18,339·21	916,950

Chamberlen W. Walker, Lt. Col.,
Acting Inspector-in-Chief Cotton Department.

C.

STATEMENT of Cases tried during the past year, 1865, under Bombay Act IX. of 1863.

Locality.	Under Section 1 of Act IX. of 1863.	Under Section 2 of Act IX. of 1863.	Under Section 3 of Act IX. of 1863.	Under Section 4 of Act IX. of 1863.	Under Section 7 of Act IX. of 1863.	Under Section 8 of Act IX. of 1863.	Under Section 9 of Act IX. of 1863.	Under Section 403 of Penal Code.	Total.	Remarks.
1	2	3	4	5	6	7	8	9	10	11
Ahmedabad and Kaira	..	1	..	1	..	1	..	..	3	Case under Section 2 fined Rs. 50, and sentenced to suffer fifteen days' simple imprisonment. Case under Section 4 fined Rs. 15. Do. Section 8 do. „ 100, and cotton confiscated.
Canara.....	..	..	..	..	..	1	..	..	1	Case under Section 8 fined Rs. 100.
Dharwar	1	..	..	..	..	..	...	..	1	Do. Section 1 do. „ 500, and sentenced to suffer six months' rigorous imprisonment.
Surat and Broach	..	5	2	9	2	3	8	..	29	Cases under Section 2 fined Rs. 50, 50, 1, and sentenced to suffer one hour's simple imprisonment; two persons Rs. 25 each, two persons Rs. 25 each, and do. do. Cases under Section 3 fined Rs. 100 and 150, and bales of cotton confiscated. Cases under Section 4 fined Rs. 25, 25, 50, 50, 25, 80, 50, 50, 25, respectively. Cases under Section 7 fined Rs. 5 and 3. Do. Section 8 do. three persons, two Rs. 100 each, and one 125, and cotton confiscated. Cases under Section 9 fined Rs. 60, 48, 60, 25, 10, 45, 20, 20.
Tanna and Panwell	..	..	..	..	..	..	..	1	1	Three robbers were caught by the Cotton Inspector for H. H. Hubshee's territory, and were fined Rs. 10,5,4.
Total....	1	6	2	10	2	5	8	1	35	

Chamberlen W. Walker, Lieut. Colonel,
Acting Inspector-in-Chief Cotton Department.

D.

STATEMENT of Cotton Presses established throughout the Bombay Presidency in 1865.

Collectorates.	Number of Presses worked by		Localities in which Presses are situated.	Remarks.
	Manual labour.	Steam power.		
1	2	3	4	5
Ahmedabad and Kaira	18	....	Ahmedabad.	
	74	....	Dhollera.	
	7	....	Gogo.	
	39	....	Bhownuggur.	
	3	....	Kaira.	
Bombay	24	117	Fort, Colaba, Middle Colaba, Mandvee Bunder, Carnac Bunder, and Elphinstone Works.	
Canara	....	7	Karwar.	
Khandeish	....	1	Bhosawul.	
	3	....	Julgaum.	
Sind	3	12	Kurrachee	
Sholapoor	....	1	Sholapoor.	
	....	1	Barsee	Incomplete.
Surat and Broach	88	....	Surat.	
	82	....	Broach.	
Total	341	139	In Presidency.	

Chamberlen W. Walker, Lieut. Colonel,
Acting Inspector-in-Chief Cotton Department.

Comparative Statement of the Monthly Expenditure of the Establishment entertained for carrying out the provisions of Act IX. of 1863 *sanctioned by Government during* 1865, *and the Estimated Expenditure for* 1866 *for which sanction is solicited.*

Locality.	Designation.	In 1865. Monthly salary, including every sort of allowances.	In 1866. Monthly salary, including every sort of allowances.	Increase.	Decrease.
1	2	3	4	5	6
		Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
For the Town and Port of Bombay	Inspector-in-Chief Cotton Department	2,458 5 4	2,458 5 4		
	Inspector	1,000 0 0	1,000 0 0		
	Ditto	900 0 0	900 0 0		
	Ditto	800 0 0	800 0 0		
	7 Sub-Inspectors, 2 on Rs. 150 and 5 on Rs. 100	800 0 0	800 0 0		
	2 Sub-Inspectors, 1 on Rs. 150 and 1 on Rs. 100	....	250 0 0		
	Office establishment and contingent charges	500 0 0	500 0 0		
		6,458 5 4	6,708 5 4	250 0 0	....
For Ahmedabad and Kaira Collectorates	Inspector	1,000 0 0	1,000 0 0		
	3 Sub-Inspectors, 2 on Rs. 150 and 1 on Rs. 100 per mensem (for 8 months)	400 0 0	....		
	2 Sub-Inspectors, on Rs. 120 each per mensem	....	240 0 0		
	2 Sub-Inspectors, on Rs. 80 each per mensem	....	160 0 0		
	Office Establishment, including contingent charges	150 0 0	150 0 0		
	8 Peons for Sub-Inspectors, at Rs. 9 per mensem	60 0 0	72 0 0		
		1,610 0 0	1,622 0 0	12 0 0	....

For Surat and Broach Collectorates	Inspector	900 0 0	900 0 0			
	3 Sub-Inspectors (for 8 months)	400 0 0	....			
	2 Sub-Inspectors at Rs. 120 per mensem	....	240 0 0			
	2 Sub-Inspectors at Rs. 80 per mensem	....	160 0 0			
	2 Preventive Inspectors with Establishment	800 0 0	800 0 0			
	Establishment and contingent charges	150 0 0	150 0 0			
	Peons for Sub-Inspectors, at Rs. 9 per mensem	60 0 0	72 0 0			
	Watchers (for 8 months)	140 0 0	140 0 0			
		2,450 0 0	2,462 0 0	12 0 0	....	
For Khandeish Collectorate	Inspector	900 0 0	900 0 0			
	2 Sub-Inspectors (for 8 months)	300 0 0	....			
	2 Sub-Inspectors do.	....	240 0 0			
	Office Establishment and contingent charges	150 0 0	150 0 0			
	Peons for Sub-Inspectors.	40 0 0	40 0 0			
		1,390 0 0	1,330 0 0	....	60 0 0	
For Dharwar, Belgaum, and Kullaghee Collectorates	Inspector	900 0 0	900 0 0			
	2 Sub-Inspectors (for 8 months	300 0 0	....			
	2 Sub-Inspectors at Rs. 120 per mensem	.....	240 0 0			
	2 Sub-Inspectors at Rs. 80 per mensem	....	160 0 0			
	Office Establishment and contingent charges	150 0 0	150 0 0			
	Peons for Sub-Inspector	40 0 0	72 0 0			
		1,390 0 0	1,522 0 0	132 0 0	....	
For Sattara, Sholapoor, Poona, and Ahmednuggur Collectorates	Inspector	900 0 0	900 0 0			
	1 Sub-Inspector	....	150 0 0			
	Office Establishment and contingent charges	150 0 0	150 0 0			
	Peons for Sub-Inspector	....	18 0 0			
		1,050 0 0	1,218 0 0	168 0 0	....	

Locality.	Designation.	In 1865. Monthly salary including every sort of allowances.	In 1866. Monthly salary including every sort of allowances.	Increase.	Decrease.
1	2	3	4	5	6
		Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Sind Province	Inspector	700 0 0	700 0 0		
	1 Sub-Inspector	.....	150 0 0		
	Office Establishment and contingent charges	150 0 0	150 0 0		
	Peons for Sub-Inspector	.....	18 0 0		
		850 0 0	1,018 0 0	168 0 0	....
Canara and Rutnagherry Collectorates	Inspector	700 0 0	800 0 0		
	1 Sub-Inspector	.....	150 0 0		
	Office Establishment	150 0 0	150 0 0		
	Peons for Sub-Inspector	.....	18 0 0		
		850 0 0	1,118 0 0	268 0 0	....
Inspector for H. H. the Hubshee's Territory	Inspector	350 0 0	350 0 0		
	Boat, Crew, &c.	174 0 0	174 0 0		
		524 0 0	524 0 0	.....	....
	Total Rupees....	.....	.....	1,010 0 0	60 0 0
	Deduct Saving....	.....	.....	60 0 0	
	Total Increase Rupees....	.....	.....	950 0 0	

CHAMBERLEN W. WALKER, Lieut. Colonel,
Acting Inspector-in-Chief Cotton Department.

APPENDIX J.

REVISION OF TARIFFS.

No. 1740 OF 1866.

REVENUE DEPARTMENT.

To the SECRETARY TO THE CHAMBER OF COMMERCE,
Bombay.

Bombay Castle, 12th May 1866.

SIR,—I am directed to forward the accompanying copy of a Resolution* of the Government of India on the subject of revising the tariff valuations of articles liable to an *ad valorem* duty, and of maintaining a uniform tariff for all India, and to request that His Excellency the Governor in Council may be favoured with the opinion of the Chamber of Commerce as to the selection of a Member to represent the interests of Western India.

* No. 1556, dated 29th March 1866.

I have the honour to be, &c.,

(Signed) J. KING,
Acting Under Secretary to Government.

No. 1556.

EXTRACT from the Proceedings of the Government of India in the Financial Department dated 29th March 1866.

Read the undermentioned correspondence on the subject of revising the tariff valuations of articles liable to an *ad valorem* duty, and of maintaining a uniform tariff for all India :—

Letter from the Government of Bengal, dated 6th August 1865, No. 707.

Office Memorandum to Home Department, dated 18th September 1865, No. 2389.

Office Memorandum from Home Department, dated 21st and 25th September 1865, Nos. 3152 and 3284.

Letter to the Governments of Madras and Bombay, dated 19th October 1865, No. 2996.

Letter from the Government of Bombay, dated 3rd January 1866, No. 17.

Letter from the Government of Madras, dated 24th February 1866, No. 511.

RESOLUTION.

The Governor General in Council considers that it will be advisable to institute a thorough revision of the existing tariffs of valuations, and that the revision should be conducted on a plan which will admit of uniform tariffs being retained for all India.

2. For this purpose His Excellency in Council is pleased to direct that a Committee should be formed at Calcutta, consisting, with the approval of the Lieutenant-Governor, of the Collector of Customs at Calcutta and the Junior Secretary to the Board of Revenue, on the part of the Government of Bengal, and a Member from each Presidency to represent its respective interests. The governments of Madras, Bombay, and Bengal should each nominate a Member to serve on the Committee, or to communicate with the Committee in Calcutta.

3. The points to which attention should be given by this Committee for revision of the tariffs are —

1*st*.—The adjustment of a set of valuations applicable to India generally;

2*nd*.—A new classification and consolidation of the enumerated articles: and

3rd.—The removal to the free list of petty articles, which neither yield nor are likely to yield any appreciable revenue.

4. With regard to the second point, the revised classification lately proposed by Mr. Crawford, the present Collector of Customs, should be considered, and care should be taken in considering the third that no articles are recommended for transfer to the free list which are few in number, chiefly because they are articles of luxury, the levy of customs on which cannot be held to be productive of any hindrance to business.

(A true extract)

R. H. HOLLINGBERY, Asst. Secretary,
For Secretary to the Government of India.

No. 139 of 1866.

To F. S. CHAPMAN, Esq.,
Chief Secretary to Government, Bombay.

Bombay, 29th May 1866.

SIR,— I have the honour to acknowledge the receipt of the Acting Under Secretary's letter No. 1740 dated 12th instant, handing copy of a Resolution of the Government of India on the subject of revising the tariff valuations, and of maintaining a uniform tariff for all India, and requesting the opinion of the Chamber as to the selection of a Member to represent the interests of Western India.

In reply I am directed by the Committee of Management respectfully to suggest to Government that the Commissioner of Customs at Bombay would be the most suitable representative of the interests of this part of India on the Committee which the Government of India has directed to be formed at Calcutta.

I am to state further that the Committee of the Chamber will be happy to confer with the Commissioner, and afford him all the assistance in their power in reference to the important purposes for which the Committee is to be formed.

I have the honour to be, &c.,
(Signed) JAMES TAYLOR, Secretary.

No. 1513 OF 1866.

From A. F. BELLASIS, Esq.,

Officiating Commissioner of Customs,

To the SECRETARY TO THE BOMBAY CHAMBER OF COMMERCE.

Bombay, Office of Commr. of Customs, 19th June 1866.

SIR,—Your letter to the Chief Secretary to Government as per margin has been communicated to me with a request from His Excellency the Governor in Council desiring me to undertake the duty of joining the Commission at Calcutta for revising the customs tariff for all India.

No. 139 dated 29th May 1866.

2. In reference to the last paragraph of your letter, I have the honour to request that the Chamber of Commerce will inform me generally of their views on the subject, after which I shall have much pleasure in conferring with the Chamber.

2. I take this opportunity to thank the Chamber of Commerce for the honour they have done me in selecting me to represent their interests at Calcutta.

I have the honour to be, &c.,

(Signed) A. F. BELLASIS,

Officiating Commissioner of Customs.

No. 157 OF 1866.

A. F. BELLASIS, Esq.,

Commissioner of Customs, Bombay.

Bombay, Chamber of Commerce, 27th June 1866.

SIR,—I am directed by the Committee of the Chamber of Commerce to acknowledge the receipt of your letter No. 1513 of 1866, dated 19th instant, and in reply to inform you that as soon as the papers referring to a revision of tariffs, now circulating amongst the Members, are returned to the Committee, you shall be promptly informed of the views of the Chamber in reference to the business to be laid before the Committee appointed to assemble at Calcutta. Meantime

I have the honour to be, &c.,

(Signed) JAMES TAYLOR, Secretary.

To the MEMBERS OF THE CHAMBER OF COMMERCE,

Bombay.

Bombay, Chamber of Commerce, 26th June 1866.

GENTLEMEN,—I am directed by the Committee of Management to circulate for your information the accompanying Resolution of the Government of India on the subject of "a thorough revision of the existing tariffs of valuations on a plan which will admit of uniform tariffs being retained for all India."

I am further directed to request that in reference to paragraph 3 of the Resolution you will be good enough to record your opinions on the points therein specified at your early convenience, in order that the Committee may be in a position to place the Commissioner of Customs (who has been appointed to represent Western India) in possession of the views of the Chamber on the subject before he proceeds to join the Committee at Calcutta.

I am, &c.,

(Signed) JAMES TAYLOR, Secretary.

MINUTE of the Honourable A. J. Hunter, Chairman of the Chamber, concurred in by the Members.

As the markets for cotton goods are at present in a very unsettled state, it is an inopportune time for fixing tariff values, unless as a mere temporary arrangement to do away with the injustice at present existing of charging a higher scale of duties than is intended by the Legislature, viz., five per cent. *ad valorem*. I would bring the fact prominently to the notice of Mr. Bellasis, so that it may be kept in view by the members of the Commission that the market is in a transition state, the tendency of prices being downwards, with every appearance of the same continuing till a scale is reached nearly approaching to that which existed a few years ago, when the tariff valuation of shirtings was nine annas per lb., instead of a rupee as it is at present. For this reason I would urge Mr. Bellasis to use his influence for fixing valuations somewhat under the equivalent of present home costs, so as to render it unnecessary to make a further reduction in the same during the next few months. The annexed table shows, as nearly as

I can give them, the prices at which goods can now be purchased in Manchester, with the equivalent cost from the ship's side here, allowing ten per cent. for charges, also the valuations which I would recommend to the Members of the Commission to be adopted as an interim tariff.

	Present tariff valuations.	Present home values.	Equivalent with 10 per cent.	Valuations now recommended for a temporary tariff.
Grey Shirtings, Madapollams, Cambrics, and Printers	Rs. l p. lb.	Sterling. s. d.		
„ Longcloths and Jeans.	14 as.	1 6	$13\frac{1}{5}$ as.	12 as.
„ T Cloths, Domestics, Sheetings, and Drills	12 „	1 $2\frac{1}{2}$	$10\frac{5}{8}$ „	12 „
Bleached Brocades, Spotted & Striped Shirtings, not exceeding 36 inches wide	As. 3 per yd.	I see no reason why this is made an exception to the rule for other White goods, and would recommend its transfer to the *ad valorem* list.		
Twist—	As.	s. d.	As.	As.
Mule 16 to 24 ..	$13\frac{3}{4}$ „	1 0	$8\frac{3}{4}$	8
28 to 32 ..	$14\frac{3}{4}$ „	1 $1\frac{1}{2}$	$9\frac{7}{8}$	9
38 to 42 ..	$16\frac{1}{4}$ „	1 3	11	$10\frac{1}{2}$
48 to 52 ..	$17\frac{3}{4}$ „	1 6	$13\frac{1}{4}$	12
60	19 „	1 $8\frac{1}{2}$	15	$13\frac{1}{2}$
70	20 „	1 $10\frac{1}{2}$	$16\frac{1}{2}$	15
80	$21\frac{1}{4}$ „	2 $0\frac{1}{2}$	18	17
90	$22\frac{1}{4}$ „	2 $2\frac{1}{2}$	$19\frac{7}{8}$	$18\frac{1}{2}$
100	$23\frac{1}{2}$ „	2 $4\frac{1}{2}$	$20\frac{7}{8}$	20
100 to 150 ..	$28\frac{3}{4}$ „	2 8	$23\frac{1}{2}$	$22\frac{1}{2}$
160 to 200 ..	$33\frac{1}{4}$ „	3 0	$26\frac{3}{8}$	25
Water 20	14 „	1 3	11	10
30	$15\frac{1}{4}$ „	1 $4\frac{1}{2}$	$12\frac{1}{8}$	$11\frac{1}{4}$
40	$17\frac{1}{4}$ „	1 6	$13\frac{1}{4}$	$12\frac{1}{2}$
50	$19\frac{1}{4}$ „	1 8	$14\frac{5}{8}$	14
Coloured—	Rs. a.		Rs. a.	Rs. a.
Turkey Red, all kinds..	1 9	2 9	1 $8\frac{1}{4}$	1 4
Orange, Red, and other colours	1 4	1 10	1 $0\frac{1}{8}$	0 $15\frac{1}{2}$

The prices I have given as present home costs are generally the minimum rates at which goods can now be purchased, but I think it is only fair, in the present position of the market, to take these as a basis.

As regards copper, duty is levied on Rs. 55 per cwt. for sheathing and Rs. 60 for braziers', which are far too high, as the prices which have been current here during the past year, duty-paid, have ranged from Rs. 48 to 53 both for sheathing and braziers', which as a rule are of about equal value. I would suggest Rs. 49 per cwt. as a fair valuation for the levying of duty both on sheathing and braziers', being the present English cost of £89 per ton with ten per cent. added for charges.

The present valuation of Rs. 48 for yellow metal is also much too high, and should be reduced. The price of the article in London is about 7½*d.* per lb. or £3 10*s.* per cwt., which with ten per cent. added for charges costs Rs. 38½ on being discharged from the ship's side. This, therefore, I consider a fair valuation.

On the other points on which an opinion is asked, viz., a new classification and consolidation of the enumerated articles, and the removal of petty articles to the free list, the Commissioner of Customs is in a better position for forming an opinion than Members of the Chamber. For the sake of saving to establishment, I think the list of free articles should be carried as far as practicable, consistent with not making any considerable sacrifice of revenue.

A. J. HUNTER,
of W. & A. Graham & Co.

No. 2473 OF 1866.

REVENUE DEPARTMENT.

To the SECRETARY TO THE CHAMBER OF COMMERCE,
Bombay.

Bombay Castle, 7th July 1865.

SIR,—I am directed to forward for the information of the Chamber of Commerce the accompanying copy of a

letter, No. 2471 dated 7th July 1866, addressed to the Honourable A. J. Hunter, and Messrs. A. Brown, W. Christian, and H. E. Astley, requesting them to form themselves into a Committee, with Mr. Bellasis, Officiating Commissioner of Customs, Salt, and Opium, as Chairman, for the purpose of carrying out the instructions of the Government of India regarding the institution of a thorough revision of the existing tariffs of valuations.

I have the honour to be, &c.,

(Signed) J. KING,

Acting Under Secretary to Government.

No. 2471 OF 1866.

REVENUE DEPARTMENT.

Bombay Castle, 7th July 1866.

To the HONOURABLE A. J. HUNTER,

A. BROWN, Esq.,

W. CHRISTIAN, Esq.,

H. E. ASTLEY, Esq.

GENTLEMEN,—The Government of India having directed the institution of a thorough revision of the existing tariffs of valuations on a plan which will admit of uniform tariffs being retained for all India, His Excellency the Governor in Council requests that you will have the goodness to form yourselves into a Committee, with Mr. Bellasis, Officiating Commissioner of Customs, Salt, and Opium, who is nominated Chairman, for the purpose of carrying out the instructions of the Government of India.

2. The Committee are authorised to add to their number if necessary, reporting any such addition for the information of Government.

I have the honour to be, &c.,

(Signed) J. KING,

For Chief Secretary to Government.

No. 1695 of 1866.

From A. F. BELLASIS, Esq.,
Officiating Commissioner of Customs,

To the SECRETARY TO THE CHAMBER OF COMMERCE.

Bombay, Office of Commissioner of Customs,
9th July 1866.

SIR,—I have the honour to state for the information of the Chamber of Commerce that I have this day received a copy of the Government letter No. 2471 dated 7th instant, appointing the gentlemen named in the margin a Committee to revise the existing customs tariff of valuations; but before assembling the Committee I should wish to be favoured with a reply to my letter No. 1513 dated 19th June last.

The Honourable A. J. Hunter, Alex. Brown, Esq., W. Christian, Esq., H. E. Astley, Esq.

2. I have to request an early reply to this letter, as you will observe from Government Resolution No. 2441 dated 4th July 1866, copy of which was forwarded to you, that I am expected by Government to leave Bombay for Calcutta by the first week in August, and there is not much time left for the Committee to deliberate.

I have the honour to be, &c.,
(Signed) A. F. BELLASIS,
Officiating Commissioner of Customs.

No. 165 OF 1866.

To A. F. BELLASIS, Esq.,
Commissioner of Customs, Bombay,

Bombay, 10th July 1866.

SIR,—I have the honour to acknowledge your several letters of the 5th, 6th, and 9th instant, with reference to which, and to my letter to you of the 27th ultimo, I have now the pleasure to hand you herewith copy of a Minute by the

Honourable Mr. Hunter, Chairman of the Chamber, on the subject of a revision of the existing tariffs of valuations. This Minute has been unanimously approved by the Members as meeting all requirements, and containing all the suggestions that need be made in the present unsettled state of the markets.

It is also considered that the duty of 7½ per cent. on metals is excessive, and interferes seriously with this branch of the import trade; but, as you will have ample opportunity for discussing this and all other points with the Committee that has been appointed to confer with you, it is unnecessary for me to enter further into the subject.

I have the honour to be, &c.,

(Signed) JAMES TAYLOR,

Secretary.

No. 1749 OF 1865.

A. F. BELLASIS, Esq.,

Officiating Commissioner of Customs,

To the SECRETARY TO THE CHAMBER OF COMMERCE,

Bombay.

Bombay, Office of Commr. of Customs, 12th July 1866.

SIR,—I have the pleasure to acknowledge the receipt of your letter No. 165 dated the 10th instant, and thank you for the information therein furnished regarding the alterations which the Chamber would propose to make in the present tariff.

2. I shall feel further obliged by the Chamber of Commerce furnishing me with their opinion on silk (items 13 to 20 of the present tariff), and whether they consider any alteration in its valuations required.

I have the honour to be, &c.,

(Signed) A. F. BELLASIS,

Officiating Commissioner of Customs.

APPENDIX K.

REORGANISATION OF THE PILOT SERVICE.

No. 285.

MARINE DEPARTMENT.

From the ACTING SECRETARY TO GOVERNMENT,

To the SECRETARY TO THE CHAMBER OF COMMERCE.

Bombay Castle, 27th April 1866.

SIR,—I am directed to transmit the accompanying copy of a letter from the Secretary to the Harbour and Pilotage Board, No. 137 dated 16th instant, and of its accompaniments, making proposals for the improvement and reconstruction of the pilotage system of the Bombay Harbour, and to request that the Chamber of Commerce will have the goodness to favour Government with an early expression of their opinion on the proposed alterations in the pilotage system.

I have the honour to be, &c.,

(Signed) J. MACDONALD, Major,
Acting Secretary to Government.

No. 137 of 1866.

MARINE DEPARTMENT.

From the SECRETARY HARBOUR & PILOTAGE BOARD,

Bombay,

To the SECRETARY TO GOVERNMENT.

Bombay, 16th April 1866.

SIR,—I have the honour to request that you will lay before His Excellency the Governor in Council the following Memorandum and Resolution of the Harbour and Pilotage Board, relative to the improvement and reconstruction of the pilotage system of this port.

2. As it is desirable that no time should be lost in remedying the defects in the existing pilotage system at present complained of, the Harbour and Pilotage Board would respectfully request an early consideration of the subject on the part of Government.

I have the honour to be, &c.,

HENRY MORLAND, Lieut. late I.N.,
Secretary to the Harbour and Pilotage Board.

MEMORANDUM by the Harbour and Pilotage Board.

1. The pilotage system of Bombay, as at present constituted, has long been a source of dissatisfaction and complaint on the part of shipmasters and others connected with the shipping interest, owing to the defective manner in which the services charged for under the Act No. XXII. of 1855 are rendered to vessels arriving at and leaving this port, more especially in the monsoon season.

2. The inefficiency complained of appears to arise not from any want of skill or ability on the part of the pilots, but rather from the system under which the pilotage duties of the port have hitherto been conducted.

3. The present system may be described as follows:—The pilots are appointed to do duty after a year, or sometimes a shorter period, of probation, and thenceforward rise by seniority to the different grades into which they are divided, and draw the pay of their grade quite independently of the duty performed, or of their efficiency in their calling. They are in fact the servants of the Harbour and Pilotage Board on a monthly salary. A certain number of open boats are provided in which the pilots put off to ships signalled at the lighthouse as entering the port, and in which they return to the shore from outward-bound ships which they have piloted out to sea. All expenses of boats &c. are paid by the Board, and the Board receives all the fees levied for pilotage under the Act. The superintendence of the pilots is exercised by the Master Attendant.

4. The disadvantages of such a system are manifest. In the first place, as the pilots receive a monthly salary which is not dependent for amount on the duties performed, there is no incentive to exertion, and the consequence is that the duties are apt to be gone through in a perfunctory manner, and difficulties are regarded as insurmountable which would be comparatively easily overcome were the earnings of the pilots dependent on their exertions. As an illustration of this the Board would notice the very frequent complaint on the part of shipmasters that they are not boarded by a pilot till after the greater part of the dangers of entering the port is passed; and though this is no doubt partly owing to the pilots having to start from the shore after the ship is signalled, still there can be little doubt that if their pay depended on it they would find a way of boarding vessels earlier. Again, the practice of waiting till a vessel is signalled from the lighthouse at Colaba before putting off from the Pilot Bunder to board a ship is also conducive to ships not being boarded at the proper time, as on the one hand hazy weather may prevent a vessel's being seen from the lighthouse till very close to, and on the other hand an adverse wind or tide, or both combined, may prevent the pilot from boarding a ship until his services are pretty nearly superfluous. This last remark applies especially to boarding vessels in the monsoon. Further, the pilot-boats used, although very suitable and very serviceable in ordinary weather, are not suited for remaining outside the port in the stormy weather of the

monsoon, and when they do so it is often at great risk to those on board. So much is this the case that the Board has found it necessary to maintain a vessel during the monsoon to assist in case of accidents to the pilot-boats, and to lead vessels in when the weather will not permit of the pilot-boats putting off.

5. The disadvantages of the present system, some of which have been noticed above, seemed so apparent to the Board that they came to the conclusion that something must be done to remedy them, and as a first step to this they procured all the necessary information regarding the system and rules of pilotage in many of the other great ports, such as Liverpool, Glasgow, Hamburg, Calcutta, &c.

6. The result of the Board's investigation went to prove that in no other port but Bombay were the pilots paid without reference to the duties performed, and also that in all the other ports from which information was furnished the practice was to board vessels outside the dangers of the port by means of pilotage vessels, large enough to keep the sea, cruising outside the entrance to the port, with a supply of pilots on board, which were drafted off to the vessels making the harbour as required.

7. Taking the above two very important differences from the present Bombay system as the groundwork for reform, the Board, after very mature consideration, came to a decision as the general outline of a plan for the reorganising of the present system of pilotage, taking as their guide the practice followed in the great ports of Europe, with such modifications as were demanded by the difference of climate and other circumstances at this place.

8. The Board then delegated to a Sub-Committee of their number the task of drawing up a scheme in detail, and the scheme of the Sub-Committee, as approved and adopted by the Board, is respectfully submitted herewith for the approval of His Excellency the Governor in Council.

9. The plan is divided into two parts,—first, a system of regulations for the practical working of the Pilotage Department, and, secondly, the arrangement proposed for the financial working of the new organisation.

10. The Board in conclusion would beg to state that the plan proposed has the concurrence of all the members with the single exception of Captain W. C. Barker, the Master

Attendant, who prefers the present arrangement with some slight alterations. The Board are sensible of the great weight which must necessarily attach to the opinion of an officer of Captain Barker's experience; and they regret that he does not concur with his colleagues as to the changes which are required. Captain Barker, at the request of the Board, has furnished a sketch of the pilotage system which he considers best adapted for the wants of the port, and this sketch the Board beg to forward also herewith for the further information of His Excellency the Governor in Council.

11. The scheme recommended by the Board is also that approved of in its main features by Captain Young, C.B., their late Vice-President: it will be for Government to decide whether the reform proposed is desirable or not.

A. F. Bellasis,
President of the H. & P. Board, and Commr. of Customs.

G. F. Henry,
Vice-President of the H. & P. Board.

A. C. Gumpert,
Member of the H. & P. Board.

Andrew Grant,
Member of the H. & P. Board, and Agent to Lloyds.

REPORT BY THE SUB-COMMITTEE.

Rules for the Working of the Pilotage Department.

1. The Bombay pilots to be a licensed service, to be paid by shares in proportion to their standing, and the work they do.

2. Licences to be granted by the Harbour and Pilotage Board, which must be renewed on the 1st of every January on payment of Rs. 30 as a fee.

3. The Pilot Service for the present to consist of sixteen pilots and three probationers, which number may be augmented at the discretion of the Harbour and Pilotage

Board, as the trade of the port increases or as circumstances may require.

4. The Harbour and Pilotage Board to provide three schooners of 100 tons each, similar to the Liverpool pilot schooners, with such alterations as may be thought necessary to allow increased ventilation for the difference in climate.

5. The crew of each schooner shall consist of a master, who shall be a senior pilot, but not on the running list. He must man his vessel (with not less than one syrang and fourteen lascars), and keep her in good working order. She will have attached to her six pilots and one probationer.

6. No. 1 Pilot Schooner shall cruise between the outer floating light ship, bearing (S. E. two miles) and the island of Kundaree, bearing S. E. five miles.

The master must always use his utmost endeavours to intercept and supply with pilots all inward-bound ships.

He will receive on board his vessel the pilots from all outward-bound ships.

He will remain on his station for seven days, leaving it only when all his pilots are away, or when he may have received on board three more than his complement. He may then stand in, and No. 2 is at once to take his place.

7. No. 2 shall cruise between the outer and inner light ships.

He will supply all vessels that have not been served by No. 1. When No. 1 has been seven days at the outer station, the (No. 2) will go out to relieve her or previously should No. 1 stand in.

8. No. 3 will be the spare vessel in harbour ready to take No. 2 place whenever she relieves No. 1.

9. Should any of the schooners require repair, the other two must work the stations till such time as the third is ready, taking care that the outer station is never left without a pilot.

10. A good six-oared cutter to be stationed at the Dockyard, which shall go off to each ship on anchoring to land her pilot, and will also attend to take pilots to outward-bound ships.

11. The masters of the schooners shall keep a journal, which they shall bring for inspection to the Master Attend-

ant's office within twelve hours of the termination of each cruise.

12. The schooners when they proceed to their stations must have four of their pilots on board.

13. The pilots not afloat to attend every morning at the Master Attendant's office at ten o'clock for orders.

14. Pilots of inward-bound ships to report to Master Attendant's office, at once on landing if it is within office hours, if not, at ten o'clock the following morning.

15. When the pilots are on board of the schooners they are under the authority of the master, and they must pay strict attention to any lawful order he may give, whether as to taking their turn at working the schooner, at which they must assist, or as to boarding vessels.

16. Pilots shall conform to all the orders of the Master Attendant, or whoever may be placed in authority over them.

17. Pilots shall not hold any interest on shore in steam tugs. They are not allowed to keep a tavern or lodging-house, or in any way to retail wines or spirits.

18. Pilots are liable to fine, reduction in grade, or suspension of licence by Harbour and Pilotage Board, for refusing or neglecting to take charge of inward-bound ships, or for any other culpable or negligent fault or misconduct.

19. No pilot shall claim salvage without the consent of the Harbour and Pilotage Board.

20. The earnings of each schooner to be divided and paid on the first of every month, or as soon after as she comes in from her cruise.

21. When the schooner at the outer station fails to supply an inward-bound ship with a pilot, and such inward-bound ship gets supplied from No. 2 schooner, then the pilots shall only receive (for division into shares) one-third of the sum they would have been entitled to had such vessel been piloted in from sea.

When No. 2 schooner fails to supply an inward-bound ship with a pilot none of the pilotage money shall be given to the pilots.

Should either schooner be within moderate distance of the inward-bound ship and offer a pilot, then they shall

receive the same share as they would have received had they put a pilot on board.

Examination of Pilots.

1. The Harbour and Pilotage Board shall appoint as Examiners of Pilots—

The Master Attendant,
One Master of Schooner,
One Running Pilot,
Lloyd's Marine Surveyor.

2. Applicants for admission to the Pilot Service must be twenty-one years of age, and of good health. They must hold a Board of Trade certificate of not a lower grade than "only mate," and they must produce certificates of strict sobriety and good conduct.

They will then be eligible for appointments as probationers.

3. The Master Attendant to have the appointment of probationers.

4. After twelve months as probationer they may go before the examining committee, and if they pass the Board will grant them licences as third class pilots on the first vacancy, their subsequent steps to second and first class pilot always being given by seniority according to vacancies.

Shore Establishment.

1. The First Assistant Master Attendant will appoint pilots by rotation to outward-bound ships, and he will be the Master Attendant's principal assistant in everything relating to the pilots and his office duties on shore, including the care and inspection of all boats, life-boats, stores, buildings, and property on shore belonging to the Harbour and Pilotage Board.

2. The Second Assistant Master Attendant shall be called the Harbour Master. His duties shall be to direct where the ships are to be berthed. He will have the charge of all buoys and beacons in the harbour. In the event of fire or other accident he will attend with all the pilots not on duty in the schooners to render what assistance may be required, and he will be the Master Attendant's principal assistant in

everything connected with the harbour. He will inspect quarterly and report on the state of the pilot schooners, also the floating light ships, and under the Master Attendant shall have charge of the general conservancy of the harbour.

Proposed arrangement for the financial working of the Pilotage Department.

The actual receipts on account of the Pilotage Department for the last five years appear to have been—

For year	1860-61.....	Rs.	1,41,990	12	0
„	1861-62.....	„	1,26,784	6	0
„	1862-63.....	„	1,25,396	8	0
„	1863-64.....	„	1,39,056	12	0
„	1864-65.....	„	1,55,006	14	0

The close of the American war may have an effect in reducing for a time the amount of receipts, but the extension of the railways, and the natural increase of the trade of the port, are likely to keep the income fully up to that of last year. In estimating the probable receipts on account of the Pilotage Department, for the purpose of finding a basis for the financial part of the new scheme, I think if we take Rs. 1,40,000 as the income we shall not be placing the amount too high. The present expenses of the department taken roughly may be called Rs. 1,00,000 per annum. Taking the estimated income as above, this shows a clear surplus of Rs. 40,000 per annum.

In November 1864 there was transferred to the Harbour and Pilotage Board accumulated balances for the Pilotage Fund amounting to Rs. 98,000, to which falls to be added this past year's surplus, say Rs. 50,000, making a sum in hand on account of the department of Rs. 1,48,000.

It is proposed to build in England three pilot schooners, the cost of which laid down in Bombay may be taken at Rs. 45,000 each, complete with boats &c., making a total of Rs. 1,35,000; this sum will be provided out of the above accumulated surplus of Rs. 1,48,000.

These schooners will be handed over complete to the companies of pilots, and thereafter will be maintained and kept in repair by them.

In order to repay the Board the money laid out on those vessels, and to secure to it a fair share of the income arising from the Pilot Service, it is proposed that the receipts on account of pilotage should be divided into shares, and that the schooners, or the Board for the schooners, should have a certain number of these shares credited to them.

If the pilotage receipts were divided into 64 shares the income would amount to nearly Rs. 2,200 per share. Of this, fifteen shares or Rs. 33,000 should go to the schooners, and five shares or Rs. 11,000 to the Pension Fund, to pay pensions and allowances now running or to be incurred; the remaining 44 shares or Rs. 96,800 will go to the pilots for salary and expenses of maintaining the schooners. Say the expenses for each schooner are Rs. 1,200 per month for crew, provisions, stores, repairs, &c., exclusive of pilots' remuneration, which is a very full estimate, the expenses of the three schooners would be Rs. 43,200 per annum, there would thus be left for division among the pilots a sum of Rs. 53,600 per annum.

The present number of pilots is sixteen, and this number might be retained, including the three senior pilots, who are to command the schooners.

Say	3	Senior Pilots, masters of schooners and general superintendents of their companies.
	4	First Class Pilots.
	6	Second Class Pilots.
	3	Third Class Pilots.
	16	

Three probationers would also be employed in addition to the above.

The portion of the receipts applicable to pilots' salaries is Rs. 53,600: this would admit of the following salaries:—

3	Senior Pilots,	Rs.	400	per mensem,	Rs.	14,400	per annum.
4	1st Class	,,	300	,,	,,	14,400	,,
6	2nd ,,	,,	250	,,	,,	18,000	,,
3	3rd ,,	,,	200	,,	,,	7,200	,,
16					Rs.	54,000	

or a few hundred rupees in excess of the amount stated.

The allowance to probationary pilots will fall to be paid by the Harbour and Pilotage Board.

The above allowance for pilots includes everything, and no extra payment, such as that for house rent, would be allowed under the new arrangement.

With regard to pensions, the running of time for pensions would stop when the new system commenced, and when a pilot who has now served so many years towards a pension retires hereafter from the service he will be paid a pension by the Board, in proportion to the service he can show under the present *régime;* or if he prefers it he may cancel his claim for pension by accepting as compensation a present money payment from the Board. This money payment, if accepted in a number of cases, might be borrowed in the mean time from the Port Fund and repaid gradually. The sum of Rs. 11,000 per annum which the five shares of the receipts reserved for pensions would yield would thus gradually be relieved of claims, and come to form an ordinary receipt.

The expense of a Harbour Master will fall on the Port Fund, and from the money received from the pilotage proceeds, or from the Port Fund if that does not prove sufficient, will have to be paid salary of the three probationer pilots, cost of cutter in the harbour, and cost of establishment for pilotage purposes in the Master Attendant's office.

A system of fines for any dereliction of duty will have to be instituted, and the pilots must be kept up to their work by deductions being made from their earnings when their duty is not properly performed. Those fines will go to form a subscription by the Board to a Sick and Pension Fund, to which the different pilot companies ought to subscribe under the new system. As no pensions for service under the new order of things will be paid by the Board, it is desirable that a Sick and Pension Fund should be created, in order to prevent worn-out and inefficient men from remaining on the active roll.

The fees received for the licence of the pilots annually might also be devoted to the Sick and Pension Fund.

In spite of any regulation to the contrary, it is quite certain that in Bombay, as in any other port, the pilots will get gratuities from captains of vessels; but it is the duty of

the Board to prevent any captain of a ship who does not choose to pay a gratuity from suffering on that account, and to do this it is most desirable that the berthing officer should be quite distinct from the pilots, and free from their influence.

No. 352 OF 1865.

Office of the Master Attendant and Conservator of the Port, Bombay, 1st December 1865.

MEMORANDUM.

Forwarded for the consideration of the Harbour and Pilotage Board, with the compliments of the Master Attendant and Conservator of the Port.

(Signed) W. C. BARKER, Retired Captain I.N.,
Master Attendant and Conservator of the Port.

Proposed Establishment.

Six Pilot Boats.
One Conservator's Boat.
One Cutter of six oars.
One Gig of six oars.
Two Jolly-boats of four oars each.

One of the latter, for the Pilot Bunder, Colaba, and one for the Dockyard, to convey to and from their respective boats the pilots and boat crews; frequently the pilot boats cannot approach the landing-places.

No crew will be required for either of these boats.

Three spare pilot boats will be kept ready in every respect for launching at short notice in case of accident or disaster, two at Colaba and one in the Dockyard.

One Syrang to superintend all, and see that the boats are kept in good order, and to preserve order and cleanliness in the Bankshall	Rs.			35
One Signal Tindal to look out during the day, and report all signals made, and every occurrence that takes place in the harbour			,,	25
3 Native Cooks or Bhundaries, at 12 Rs. each...			,,	36
2 Bheesties or Watermen,	at 9	,, ...	,,	18
6 Boat Tindals,	,, 25	,, ...	,,	150
72 Lascars of Pilot Boats	,, 17	,, ...	,,	1,224
1 Tindal of Conservator's Boat			,,	25
12 Lascars do.	at 17 Rs. each		,,	204
1 Tindal of Cutter, harbour duty			,,	17
5 Lascars, at 15 Rs. each			,,	75
1 Gig Tindal			,,	17
5 Lascars, at 15 Rs. each			,,	75
2 Sweepers, at 3 Rs. each			,,	6
Total.....Rs.				1,907

with provisions according to scale granted to lascars of Bombay Marine.

For South-West Monsoon only, viz., from 1st June to 30th September.

One brigantine of 180 tons. A fore-and-aft schooner will not answer; it is indispensably necessary for this duty that the vessel should have square sails on the foremast, to run in before the heavy breaking sea that generally prevails at the entrance of the harbour at this season, particularly when blowing hard and tide running ebb; instances have occurred of the old pilot brigs of 108 tons and upwards having been "pooped," and several occasions nearly swamped.

The vessel should be supplied with one good life-boat and one six-oared self-righting boat. The davits to be fitted to swing in-board.

I would propose that this vessel should be manned as follows :—

	First class pilot in charge, to receive three rupees per diem in addition to pay and house rent	Rs.	90
2	Probationary or third class pilots, to receive one and a half rupees each per diem in addition to pay and house rent	,,	90
1	Writer, to keep accounts and issue stores and provisions	,,	40
1	Syrang	,,	36
2	Tindals, Rs. 25 each	,,	50
12	First class lascars, at 17 Rs. each	,,	204
12	Second class do. 15 ,,	,,	180
12	Third class do. 13 ,,	,,	156
1	Topass	,,	10
1	Bhundary or cook for lascars	,,	12
1	Officers' servant	,,	15
1	Officers' cook	,,	15
	Total	Rs.	898

to be allowed provisions on same scale as issued to crews of vessels of Bombay Marine.

This may appear a large crew, but it must be borne in mind that frequently both boats may be away at the same time : with a smaller crew in such cases sufficient men would not be left on board to work the vessel.

Towards the close of the monsoon, that is, about the 20th of September, the vessel to be recalled, dismantled, and laid up at Mazagon or other convenient place. The Master Attendant may select her spars, sails, stores, running rigging, &c. &c., all to be carefully tallied or marked, and secured, as may be found most convenient, either on board or in godowns on shore. The crew to be discharged on 30th September, and a harbour crew appointed as follows :—

1	Tindal	Rs.	25
6	Lascars, at Rs. 15 each	,,	90
	Total	Rs.	115

to receive provisions in addition.

These are necessary to keep the vessel clean and in order, and from time to time to dry the sails, &c. &c.

Office Establishment.

Master Attendant and Conservator of the Port, Registrar of Shipping, &c.

First Assistant or Deputy Master Attendant and Conservator of the Port, and Deputy Registrar of Shipping.—The First Assistant's duties will be (under the Master Attendant and Conservator of the Port) principally confined to the office. To examine, check, and compare all indents, survey reports, pay abstracts, &c., &c. To attend to entry of ships, examine ship registers, endorse on back thereof (when necessary) change of masters, examine the calculations of all ships measured, whether square-rigged or native craft, for the granting of registers and "kowls." To see that the several records of the office, and all documents connected therewith, are duly kept up, and, as all applications for pilots, whether to take vessels to sea, docking and undocking, transporting, &c., are sent to the office, to appoint pilots for the aforesaid duties.

Second Assistant Master Attendant and Conservator of the Port.—To be also Surveyor of the Port, and Harbour Master. This officer's duties will be principally afloat, to see the berthing of vessels, that the vessel keep a clear hawse, that none of the regulations of the port are infringed, such as boiling pitch on board or in too close proximity to their vessels, that boats be not allowed to hang astern to the detriment of the free navigation of the port, and to keep free and clear passages through the shipping for all vessels entering or quitting the port, &c. To see to the examination, and that they are kept in serviceable condition, all moorings and danger buoys throughout the harbour. To examine and inspect at least once in every three months the outer and inner light vessels and Dolphin light, as to the state and condition of the lanterns, lamps, &c. &c., and with regard to the two former to heave up and examine their moorings. When these inspections have been made, the same to be duly entered in a book kept for that purpose, with full particulars of such inspection, and submitted to the Master Attendant. To superintend the docking, undocking, and transporting of vessels, and as surveyor of

the port, the measuring of all vessels requiring new register, whether square-rigged or Native craft. To be prompt in rendering assistance in case of accidents or disaster, such as fire, ships grounding or fouling each other, &c. &c.

Third Assistant Master Attendant and Conservator of the Port, Deputy Harbour Master.—To assist the Harbour Master in the abovenamed multifarious duties.

The services of both 2nd and 3rd Assistants will, however, frequently be required on shore for the survey of stores, &c. &c.

The following is the establishment and scale of pay of the clerks of the Master Attendant and Conservator of the Port's Department, as per Harbour and Pilotage Board's Resolution No. 104 dated 12th April 1865 :—

	Head Clerk*...	Rs.	115	per month.
	2nd do. ...	,,	65	,,
	3rd do. ...	,,	50	,,
	4th do. ...	,,	40	,,
	5th do. ...	,,	40	,,
	6th do. ...	,,	35	,,
	Shroff	,,	40	,,
Harbour and Pilotage Board's Resolution No. 159 dated 30th May 1865.	1 Naique	,,	12	,,
	1 Peon..... ...	,,	10	,,
Vide Harbour and Pilotage Board's Resolution No. 18 dated 16th January 1865.	1 Sweeper ...	,,	2	,,
	1 Waterman. .	,,	1	,,
	Total.....Rs.		410	

* I would recommend to the favourable consideration of the Board that the Head Clerk's pay be increased to Rs. 150 per mensem.

Great difficulty is experienced at present for want of a "Compiling Clerk" when necessary to refer for any former correspondence with the present establishment. No particular clerk can be spared for the duty of preparing the indexes of the several books of correspondence, files, &c. &c. I would therefore recommend, in addition to the above, a Compiling Clerk on a salary of Rs. 60 per mensem.

Pilots.

The maximum number of pilots at present allowed to be entertained is sixteen; four more I think necessary, so as to make a total of twenty not including the officer in charge of the outer light vessel, or mate.

I would again urge on the Board the reconsideration of the pay of the pilots, which I consider is very inadequate for this highly valuable and useful class of public servants.

Their pay at present is scarcely sufficient to support them, and it is utterly impossible to make any provision for the future.

Candidates for the situations of pilot should produce satisfactory testimonials as to character and ability, as to their sobriety and good conduct, and be good practical seamen.

Prior to being entertained they should undergo examination by the Marine Surgeon as to their fitness physically.

The Master Attendant should have the appointment of all pilots, who should undergo a probation of one year, six months with outward pilots, docking, transporting, &c., and six months with inward pilots.

At the end of this period to be examined as to their qualification for the situation of pilot by a committee composed as follows :—

1st Assistant (or Deputy) Master Attendant,
2nd or 3rd Assistant,
One 1st Class Pilot.

Their proceedings and report to be submitted to the Master Attendant, who being satisfied therewith will furnish him with a licence as third class pilot, subject to approval and sanction of Harbour and Pilotage Board.

In the event of not being found competent for the situation of third class pilot at the expiration of one year, to be given one month's notice and then discharged.

The pilots shall be classed as follows :—

(1) One senior pilot.
(6) Six first class pilots.
(6) Six second do.
(7) Seven third do.

(20) Twenty, Total.

I do not consider that the present system of working the pilots can be improved upon, namely, that of having a certain number told off for taking ships to sea, docking, transporting, &c., and a certain number stationed at Colaba for the purpose of furnishing pilots to in-bound vessels.

The Colaba pilots are relieved yearly on the 1st of January, two months' notice being given to make the necessary arrangements with regard to house accommodation.

The system of substituting schooners for pilot boats has been tried and failed. One schooner, or brigantine rather (for reasons before shown), I think necessary to cruise off the port during the south-west monsoon, not only to guide vessels in, but to be ready in case of disaster, such as loss of masts or swamping of the pilot boats.

It will be necessary to retain this vessel for duty during the south-west monsoon even after the lighthouses on the Prong and Kenery are established, for reasons stated above.

Anchor Hoy.

The want of such a vessel is often productive of inconvenience, and frequently of serious loss. It is true there is some such description of vessel attached to the Marine Department, but she is old, unwieldy, and fitted up very roughly: such as she is, however, she is not always obtainable, and when so, unless the charges have been reduced very lately, the hire for her per diem I consider very high.

26th May 1865.

The establishment of the "Palinurus" is one diver in charge, 30 Rs. per mensem (at present there is none, he having been drowned some months since, while diving for "Shannon's" moorings), two lascars on 11 Rs. each per mensem and three-fourth rations:—

Say, one syrang	30 rupees.
Two lascars, Rs. 11 each	22 ,,
Provisions for 3 natives, say Rs. 5 each per mensem	15 ,,
Total.....	67 rupees.

Wear and tear of hull and rigging, *nil*;—the vessel is towed to and fro by steamer or pilot boats.

The Master Attendant has a large square lantern, the frames of plate glasses being 1 foot 9 inches by 1 foot 7 inches.

In the centre four common copper oil-lamps without reflectors.

On the occasions of either of the light vessels requiring repairs the "Palinurus" has hitherto taken the place of the "Shannon" or inner light, a portion of the crew of the light vessel under repairs being attached to her, to hoist up the lantern and lamps, &c., the remainder attending to their vessel in dock, cleaning out the hold, refitting, rigging, &c.

When the light vessels last received a thorough repair in Her Majesty's Dockyard, the "Palinurus" took up the station of the inner light vessels from 30th January to 26th May 1860, and a charge was made by the Dock Master for the full period, viz., 118 days at 30 Rs. per diem, making a total of Rs. 3,540, a most enormous charge! I remonstrated, but in vain. If the vessel was sold by public auction, I doubt very much whether she would realise even a moiety of the above. I would observe further that this charge of Rs. 30 per diem is still made by the Dock Master every time the "Palinurus" is engaged, and she is the only vessel we can engage, for lifting heavy moorings, raising sunken boats or pattamars, &c.

This of itself shows the advisability, nay, the urgent necessity, of having a suitable anchor hoy attached to the department. It is possible that a dock may be available about the end of February, not before, when I propose fitting the lantern to the powder hoy, the charge for which vessel will be less than that of the anchor hoy by one-half, but even this I consider a very heavy charge, for the chances are all the vessels would otherwise be lying idle in dock basin. While on this subject I may allude to the case of the "City of Manchester," which vessel entering the harbour on the evening of the 27th of November grounded on the south-west prong: fortunately it was near low water, and there was but little wind or sea on. Mr. Corke at once proceeded out, and by laying out the kedge anchor and backing the sails, as the land wind set in, the vessel as the tide rose was hauled off,—I trust, not much injured.

But supposing there had been but a moderate breeze and sea, the kedge anchor would not have been sufficient for the purpose; a handy anchor hoy with powerful windlass and capstan (and one capable of being taken quickly to the spot), would on a future case prove invaluable.

Instances are by no means rare of vessels losing overboard heavy cases. The anchor hoy would in such circumstances

proceed instantly to the spot, and the article would be recovered. Of course a charge would be levied for this service, which would tend in a great measure, if not altogether, to defray the expenses of maintaining such a vessel.

Again, frequent applications are made from masters of merchant vessels for a vessel to convey heavy weights, such as steam machinery &c. &c., to or from the shore; the vessel might on such occasions be lent, and a moderate charge levied for her services.

I would suggest a vessel of about 80 tons' burthen, copper fastened and coppered, of strong build, no projections except the catheads (they cannot be dispensed with), which should be very strong, with three sheaves of large diameter, no bowsprit or main boom, two masts fore and aft, main sail and foresail and forestaysail: so that, unlike the present anchor hoy, she could be moved about from place to place as required, without having to resort to the aid of steam.

I have called upon the Master Builder to furnish me with a plan and estimate of the probable cost of building such a vessel. She should be about 60 or 65 feet long, her beam one-third her length, and not to draw more than (6) six feet water with her stores &c. on board. When estimate is received the same shall be laid before the Board. She would require a lower deck fore and aft (with hatches at convenient places), the forepart of which should be for the accommodation of the crew, the remainder for stowing away hawsers, tackles, &c.

The vessel should have a powerful windlass in the forepart, and a strong-built patent capstan in afterpart: she could then be made available for undocking ships by being secured to the stern-fast moorings, a moderate charge being levied from each vessel making use of the hoy.

One square-sterned four-oared jolly-boat would be required for running out lines, &c.

Crew to consist of one syrang and diver	Rs.	35
Four lascars, Rs. 15 each	,,	60
With provision ⅔ as issued to Dockyard lascars, say Rs. 5	,,	25
Total.....	Rs.	120

A better description of lantern than that used by the "Palinurus" when at the rock station could be made in

factory to be fitted to the mainmast, and only attached thereto when her services are required as a light vessel. This can easily be arranged by having the framework of the lantern in two segments, three lamps with reflectors on each side.

W. C. BARKER, Retired Captain I. N.,
Master Attendant and Conservator of the Port.

Extract (paragraphs 14 to 18) from Master Attendant's letter to the Commissioner of Customs No. 187 dated 10th September 1860.

The inner light vessel "Shannon" and outer light vessel "Colaba" requiring extensive repairs, the anchor hoy was engaged for the duties of the inner light vessel until both vessels were repaired, which repairs were executed in the Dockyard, and extended over the period named in the bill, viz., 118 days.

I would particularly draw your attention to the fact that during the whole period that the anchor hoy "Palinurus" was at the rock station, the syrang was never on board of her except during the time he was engaged as diver, duly charged for in Bill No. 21 at the enormous rate of Rs. 15 per diem, he (the diver) at the same time receiving a salary of Rs. 30 per mensem from Government. I would observe that although the diver is borne on the books as syrang of the anchor hoy, it is merely for the purpose of attaching him to some definite appointment, that the salary might be duly charged for.

It will appear, therefore, that the actual expense incurred by the Dock Master's Department for the anchor hoy "Palinurus" merely for the pay of two lascars, the charge would be 22 Rs. per mensem, which for 118 days would amount to Rs. 85-13-10. The charge in the bill is Rs. 3,540—rather a large margin for wear and tear, if such is meant.

I would again repeat that it is much to be regretted that the warp boats and anchor hoy should be retained on the Dock Master's establishment.

W. C. BARKER, Retired Captain I. N.,
Master Attendant and Conservator of the Port.

No. 158 of 1866.

To the Secretary to Government, Marine Department.

Bombay, 27th June 1866.

Sir,—I am directed by the Committee of Management of the Chamber of Commerce to acknowledge the receipt of your letter No. 285 dated 27th April, handing copy of a memorandum from the Harbour and Pilotage Board making proposals for a reconstruction of the pilotage system of Bombay Harbour, on which Government requests the opinion of the Chamber; and with reference to your subsequent letters of 6th and 26th instant I am further to express regret for the delay that has unavoidably been incurred before addressing you on the subject, owing to the time taken up in circulating the papers amongst the members.

In reply I am now directed to state for the information of Government that the proposed scheme will, in the opinion of the Committee, be a very great improvement on the present system, the inefficiency of which is complained of on all hands.

It is, however, the opinion of the Chamber that the share of the earnings which the Board proposed to retain to themselves is excessive.

The Committee can see no reason why, on such a system as that proposed, the Board should seek to retain any share of the profits of the service beyond what may be necessary to form a sinking fund for replacing schooners lost or worn out, and they consider ten per cent. would, at the outside, be found sufficient for this purpose.

The Committee are further of opinion that the scale of remuneration proposed for the pilots is not sufficient to secure good men thoroughly qualified for their work, taking into account the deductions their income will be liable to: the deductions suggested, in reference to the amount proposed to be retained by the Board, should be applied to the augmentation of the shares divisible among the pilots, and this might enable the Board to raise the scale of pay for senior pilots to Rs. 450 or Rs. 500 per mensem, and the others in proportion.

It should also be provided that the five sixty-fourth shares set apart for the payment of the pensions of the old pilots be applied, after that purpose is served, to the improvement of the Pilot Service, in such manner as may from experience be found expedient.

The Committee also consider that the rate of Rs. 45,000 for each schooner is much too high, but, as details are not entered into regarding this part of the scheme, they desire merely to indicate an impression, rather than to express an opinion, in order that the matter may be carefully examined by Government.

With the exceptions as to some important points of detail indicated above, the proposed scheme has the approval of the Chamber, and the Committee trust Government may be able to give it consideration, with a view to its being carried out as early as may be practicable.

I have the honour to be, &c.,

(Signed) JAMES TAYLOR,

Secretary.

No. 560.

MARINE DEPARTMENT.

Bombay Castle, 13th August 1866.

Letter from the Secretary Harbour and Pilotage Board, No. 137 dated 16th April 1866.

Submits a Memorandum and Resolution by the Harbour and Pilotage Board respecting the improvement and reconstruction of the pilotage system of the Bombay harbour, and requests early consideration of the subject. Submits also a scheme by Captain Barker, who dissents from the proposals of the Board.

Letter from Captain E. Giles, I. N., Master Attendant, Kurrachee, No. 310 dated 22nd May 1866.

Reports on the proposals.

Letter from the Secretary to the Chamber of Commerce, No. 158 dated 27th June 1866.

Submits the Chamber's opinion on the proposals.

RESOLUTION.—Copies of the letters from Captain Giles and the Chamber of Commerce should be sent to the Harbour Board, with an intimation that Government feel inclined to concur in the modifications they suggest in the Board's scheme, which in all other respects seems a great improvement on the present system.

Government would be obliged if the Board would take the suggestions into consideration, and, if they concur, favour Government with a revised draft of rules. It is requested that the present system may also be shown in the margin of the revised rules.

(Signed) J. MACDONALD, Major,
Acting Secretary to Government.

APPENDIX L.

WRECKS ON THE COAST NEAR BOMBAY.

No. 177 of 1866.

To the Secretary to Government, Marine Department.

Bombay, 2nd August 1866.

Sir,—I am directed by the Committee of Management of the Chamber of Commerce to call the immediate attention of Government to the condition of the wreck of the ship *Zenobia* off Alibagh.

The masts of the *Zenobia* are standing, and look like those of a ship shortening sail to come into port, and act like a decoy. The new ship *Die Vernon* has just been wrecked on the rocks at Alibagh, and there is a report of another ship having sunk bodily just outside of the *Zenobia*. It is also in the knowledge of the Chamber that two other ships narrowly escaped the fate of the *Die Vernon*.

Not a moment ought to be lost in having the masts of the *Zenobia* cut away, and I now write, by direction of the Committee, respectfully to request Government will see that the proper authorities are called upon without delay to do this work.

If things are permitted to remain as they are, in such a season as this, it is impossible to say how lamentable the consequences may be.

I have the honour to be, &c.,

(Signed) James Taylor,

Secretary.

No. 178 OF 1866.

To the SUPERINTENDENT OF MARINE,
Bombay.

Chamber of Commerce, 2nd August 1866.

SIR,—I am directed to hand you, for your information, copy of a letter which has this day been forwarded from the Chamber of Commerce to Government in reference to the state of the wreck of the ship *Zenobia*, and the serious consequences that have already issued therefrom.

I have the honour to be, &c.,
(Signed) JAMES TAYLOR,
Secretary.

No. 181 OF 1866.

To the SECRETARY TO GOVERNMENT, Marine Department.

Bombay, 3rd August 1866.

SIR,—With reference to my letter of yesterday's date on the subject of the wrecks at Alibagh, I am now directed by the Committee of Management to intimate for the information of Government that, having also communicated with Captain Robinson, Superintendent of Marine, on the same pressing business, the Committee have much pleasure in stating, from information that has been laid before them, that the Superintendent of Marine appears to have taken in a very prompt manner the necessary steps for warning off ships making the harbour from the dangers to be apprehended at Alibagh, till such time as the wrecks can be cleared to such an extent as will preclude their acting further as a decoy.

I have the honour to be, &c.,
(Signed) JAMES TAYLOR,
Secretary.

No. 380 OF 1866.

From the SECRETARY TO THE HARBOUR AND PILOTAGE BOARD,

To the SECRETARY TO THE CHAMBER OF COMMERCE.

Harbour and Pilotage Board,
Bombay, 4th August 1866.

SIR,—I am directed, in reply to your letter No. 179 of 2nd August 1866, forwarding copy of your letter to Secretary to Government, Marine Department, No. 177 dated 2nd August 1866, to state for your information that previous to the receipt of your letter the Master Attendant had communicated with the Deputy Collector at Alibagh, and requested him to hire the Native fishermen for the purpose of removing the masts of the *Zenobia*, he had also despatched one of his assistants in the hired steamer *Pehlwan* with European volunteers for the purpose of removing the masts of the wrecks off Alibagh.

The Superintendent of Marine had directed a strong party in the new Government tug steamer *Camel* to proceed the following morning. He had also despatched another party overland with the same end in view.

I have the honour to be, &c.,
(Signed) HENRY MORLAND, Lieut. late I.N.,
Secretary.

No. 557.

MARINE DEPARTMENT.

Bombay Castle, 13th August 1866.

Letter from Messrs. Nicol & Co. dated 2nd August 1866.

Represent that the *Zenobia*, which was wrecked at Alibagh, acts in her present state as a dangerous decoy for ships

bearing up for the harbour, and request that steps be taken to remove the danger.

Letter from the Officiating Superintendent of Marine No. 374 dated 3rd August 1866.

Reports the measures taken by him on the occasion of the recent wrecks at Alibagh, and for cutting away the masts of the *Zenobia*.

Letter from the Secretary to the Harbour and Pilotage Board No. 379 dated 4th August 1866.

Reports the steps taken to remove the masts of the *Zenobia*.

Letter from the Secretary to the Chamber of Commerce No. 181 dated 3rd August 1866.

Referring to his previous letter, bringing to notice the state of the masts of the *Zenobia*, states that the Superintendent of Marine has taken steps to warn off ships making the harbour from the dangers at Alibagh.

RESOLUTION—The reports of the Officiating Superintendent of Marine and of the Harbour Board are satisfactory, as showing that they, and those under them, have done everything in their power to assist the wrecked vessels, and to avert danger from others. To Messrs. Nicol & Co. the thanks of Government are due for their offer of assistance.

(Signed). J. MACDONALD, Major,
Acting Secretary to Government.

APPENDIX M.

RE-DRAFTS ON NATIVE CONSIGNMENTS.

QUESTIONS submitted by the COMMITTEE *of* MANAGEMENT *of the* BOMBAY CHAMBER OF COMMERCE, *through Messrs.* CLEVELAND *and* PEILE, *for the opinion of Counsel, in reference to actions in the High Court for the Balance of Accounts on Consignments to England in cases where re-drafts for the same have been refused acceptance, with the answers of Counsel thereto.*

1*st*.—Whether an authenticated Account Sales and Account Current forwarded from England are admissible as evidence in a Court of Law in Bombay of the balance of an account due on goods sold on consignment in England, for which balance a re-draft on the consigner has been passed but acceptance refused?

1. We are of opinion that Accounts Sales and Accounts Current, in the absence of agreement or consent of the parties, are not admissible for the purpose suggested in the question, unless regularly proved by witnesses having personal knowledge of the facts stated in such documents, such witnesses being examined on oath, and subjected to the cross-examination of the other party.

2*nd*.—If admissible, what form of authentication would be required? Attestation to the Accounts Sales by the broker or brokers who may have sold the goods, and by the merchant who renders the Account Sales in the form of affidavit or other certificate duly declared before a Magistrate, or otherwise?

2. For the reason stated above, the authentication by attestation, affidavit, or certificate would not be sufficient. The broker and merchant must give their evidence in the usual way in Court or under a Commission.

3*rd*.—In the event of an Account Sales and an Account Current not being admissible as evidence, can a merchant in England, in endeavouring to procure payment of a balance of account, of the

3. We are of opinion that in a case where the account is disputed the necessity for a Commission cannot be obviated.

foregoing character, due in Bombay, take any steps, whether by certificate, affidavit, or otherwise, to obviate the necessity of a commission to England in a case where such an account is disputed ?

4. This is a matter for the Court or Judge to exercise his discretion upon ; but if a case for a Commission is made out on the part of the defendant, or if a Commission is asked for on the part of the plaintiff, we are of opinion that the defendant would not be required to give security. Of course if a case were to be made out of the defendant making away with his property, or removing himself from the jurisdiction without leaving property to satisfy any decree that might be passed against him, it would be ground for the Court or Judge requiring him to give security.

4th.—In the event of its being necessary to have a Commission in England by order of the Court, can the defendant, in an action of the character above indicated, be required to provide security for the amount claimed together with the costs?

5. We are of opinion that a letter of hypothecation such as the one sent would bind the shipper to accept a sale, and that proof of the signature by the shipper of such a letter, coupled with the Account Current signed by the merchant at home whose name is mentioned as consignee, and countersigned by the Bombay house through whom the consignment was made, and of the signature of the re-draft by the merchant in England, would be sufficient proof of the claim.

5th.—Does the letter of hypothecation (copy as received from Chamber of Commerce annexed hereto) bind the shipper to accept a sale of goods consigned under it, and will a Court of Law receive it as proof of the claim?

JOHN EDWARD PIGOT.
J. PHILIP GREEN.

Bombay, 24*th July* 1866.

(True copy)
(Signed) JAMES TAYLOR, Secretary.

Bombay, Chamber of Commerce, 26*th July* 1866.

Bombay, 186 .

MESSRS.

Bombay.

GENTLEMEN,—Having negotiated through you the Bill of Exchange drawn by me on Messrs. of Manchester, the particulars of which are noted at foot, I beg to hand you as collateral security for the due payment of the said bills, all the Bills of Lading and Policies of Marine Insurance (original and copies) being shipping documents for the several goods enumerated at foot, and the agreement between us is understood to be as follows :—

"I authorise you and your Agents in England, Messrs. , to sell the said consignment of Cotton on my account, either to arrive, or after arrival, for such price or prices and on such terms as you or they, in your or their absolute and uncontrolled discretion, may think proper and most conducive to my interests, the proceeds in the first place to be applied in payment of all expenses, brokerage, charges attending such sale or incurred by you or your Agents, together with a commission of 3½ per cent. to Messrs. , and then in payment of the said Bills of Exchange; and lastly the surplus (if any) to be retained and applied by you in payment or reduction of any other claim or demand you may have against me, directly or indirectly, and in respect of any matter, cause, or thing whatsoever. In the event of the proceeds of the sale of this consignment proving insufficient to pay the amount due on the said Bills of Exchange with all charges as aforesaid, I hereby specially authorise Messrs. to draw upon me at sight, at the mercantile exchange of the day, for amount of such deficiency, and I agree that Messrs. Account Current, countersigned by you, shall be acknowledged and allowed, whether in or out of court, and for all purposes whatsoever, as due, sufficient, and absolute proof of sale and loss, and I hereby bind and engage duly to accept and honour such draft at maturity, and that in failure of acceptance of such draft the amount thereof shall be forthwith and summarily recoverable by you in such and the

same manner as if such draft had been duly accepted by me and the due date thereof had arrived, the only proofs of debt to be required from you being the production of Messrs. Account Current, countersigned by you, and of the unaccepted draft."

I remain, Gentlemen,

Your obedient Servant,

BILLS AND DOCUMENTS REFERRED TO IN THIS LETTER.

Bill.			Goods and Security.		
Date.	Amount.	Due date.	Bill of Lading for	Per Ship	Policy of Insurance.

APPENDIX N.

USANCE OF INDIA AND CHINA BILLS OF EXCHANGE.

Oriental Bank Corporation, London, E. C., 3rd July 1866.

SIR,—By request of a meeting of the Indian Banks held here on the 29th ultimo, I have the honour to enclose, for the information of the Bombay Chamber of Commerce, copy of resolutions then passed on the subject of reducing the usance of India and China drawn bills, and I have to acquaint you that a notice has accordingly been issued in this country, and which will also be advertised in India and the East.

I remain, &c.,

CHARLES J. F. STUART.

To the SECRETARY TO THE CHAMBER OF COMMERCE,
Bombay.

At a Meeting of the Indian Banks held in London on the 29th of June 1866, Mr. C. J. F. Stuart in the Chair, *It was resolved* that the following circular be issued :—

"It being considered advisable to shorten the usance of bills drawn in India and China on Europe, the undersigned hereby give notice that from the 1st of January 1867 their branches and agencies in the East will only buy and sell bills of exchange at a term not exceeding four months' sight.

"The undersigned further give notice that they will purchase bills of exchange drawn under credits only when the credits contain a distinct engagement with the holders of the bills to accept the same."

It was further resolved—That the Chairman be requested on the part of this Meeting to transmit copies of the foregoing Resolution to the several Chambers of Commerce in the East.

(Signed) CHARLES J. F. STUART,
Chairman.

No. 192 OF 1866.

CHARLES J. F. STUART, Esq.,
Oriental Bank Corporation, London.

Bombay, Chamber of Commerce, 23rd August 1866.

SIR,—I am directed by the Committee of Management of the Chamber of Commerce to acknowledge the receipt of your letter of the 3rd July, handing copy of the resolutions passed at a meeting of Indian Banks held in London on 29th June, restricting the agencies and branches of the said banks to selling and purchasing bills of exchange at a term not exceeding four months' sight from 1st January next.

In reply I have the honour to inform you that a special general meeting of this Chamber was held on the 21st instant to take into consideration the resolutions of the London Banks, when in regard to the first of these this Chamber resolved—

"That, in view of the resolutions submitted by the banks, it is in the opinion of this Chamber inexpedient to make any change in the present usance."

Regarding the second resolution, not to purchase bills of exchange drawn under credits except when the credits contain a distinct engagement with the holder of the bills to accept the same, I am to state that it has the entire approval of the Chamber.

I remain, &c.,

(Signed) JAMES TAYLOR, Secretary.

APPENDIX O.

MISCELLANEOUS.

RAILWAY PROGRESS.

MEMORANDUM of the Progress of the Great Indian Peninsula Railway during the year, for the information of the Chamber of Commerce.

Since the date of my last statement additional sections of the line have been completed, the first of which, on the main line from Bhosawul junction to Boorhanpoor, a distance of about 32 miles, was opened for the public traffic on the 20th of November. This section includes the Taptee viaduct, one of the most important on the railway.

The section from Sheagaum to Budnaira, a distance of 72¼ miles, being the remaining portion of contract No. 13 on the Nagpoor branch, was opened on the 18th of December, and a continuation of this branch, from Budnaira to Poolgaum, formerly called Kowta, a distance of 40¼ miles, on contract No. 14, was opened on the 16th of July.

The last opening, which took place on the 3rd instant, was on the main line from Boorhanpoor to Khundwa, a distance of 42¼ miles, on contract No. 15.

The total length of the line open at this date, exclusive of the Campoolee branch, which is now rarely used, is therefore 778¼ miles, having 489 miles under construction, divided as follows :—

Part of Contract No. 14, Poolgaum to Nagpoor..	67¾	miles.
Do. do ,, 15, Khundwa to Hurda.....	61¾	,,
Contract No. 16, Hurda to Sohagpoor	82	,,
Do. ,, 17, Sohagpoor to Jubbulpoor.....	119	,,
Do. ,, 18, Jubbulpoor to Koolburga.....	70¼	,,
Do. ,, 19, Koolburga to Raichan	88¼	,,
	489	miles.

The contracts are progressing satisfactorily along the whole line, and before the next year is far advanced the whole of the Nagpoor branch may be expected to be opened to the public, and an extension of the main line to Etarsee (Hooshungabad) may probably be opened by next monsoon.

The doubling of the line from Callian to Wassind is nearly finished, and the remaining portion, to Kussara, at the foot of the Thull Ghaut incline, is being rapidly proceeded with, and when finished there will be a continuous double line of rails from Bombay to the top of the Thull Ghaut incline at Egutpoora.

Trial sections have been made of the catch sidings on the Bhore and Thull Ghaut inclines.

Preparations are being made for letting the doubling of the line from Callian to Kurjut, at the foot of the Bhore Ghaut incline, as well as from Egutpoora to Bhosawul, to meet the increasing demand of the traffic of the line.

The reclamation of the site of the passenger station at Moody Bay has been also let, and nearly completed.

The plans, drawings, &c. of the station are well advanced, and the work will be commenced as soon as possible.

The Warree Bunder goods station is also in progress, and 1,550 lineal yards of siding have been laid for the accommodation of the Company's coal traffic and stores.

(Signed) J. R. RUSHTON,
Chief Resident Engineer.

Chief Resident Engineer's Office,
Bombay, 28th September 1866.

No. 5193 OF 1866.

To JAMES TAYLOR, Esq.,
Secretary to the Chamber of Commerce.

B. B. & C. I. Railway Agent's Dept.,
Bombay, 21st September 1866.

SIR,—In reply to the inquiry contained in your letter of the 1st instant, I have the honour to state, for the information of the Chamber of Commerce, that the only works

of any magnitude unfinished, or requiring to be undertaken, appertaining to the existing railway of this Company from Bombay to Ahmedabad, are the terminal arrangements in Bombay, including the Parell workshops and extension to Colaba, the consolidation of the large bridges, and the improvement of the line in the swampy districts.

2. Fair progress has been made during the past year with the extensive terminal works of the Company at Grant Road and Parell. The permanent passenger station between Camatteepoora and Grant Road, in lieu of the present temporary one at Bellasis Road, will shortly be commenced. The goods station at Grant Road has been opened for traffic, and the erection there of spacious iron sheds, a portion of which has just arrived from England, is being proceeded with. The Grant Road and Malabar Point overbridges were not completed for the public use quite so early as was expected, owing to there having been a difficulty in obtaining a portion of the iron required.

3. The completion of the extension of the railway across Back Bay to Colaba depends upon the progress of the reclamation: the position of the terminal stations at Colaba will probably be somewhat affected by the modified agreement under negotiation between the Reclamation Company and Government.

4. Prior to the monsoon of 1865 steps were taken by the engineers of the Company for the strengthening of our large iron bridges. Further measures for the permanent improvement of those structures were commenced during the past year, and will be carried on next season. It is satisfactory to remark that several of our largest bridges have been severely tested by heavy floods this monsoon without sustaining the slightest damage.

5. During the first week in August considerable injury was done to the railway between the Vetturnee river and Dhanoo, by heavy floods, exceeding what in that locality were anticipated: the result was that the train service had to be suspended over a distance of about thirty miles until the 29th of August, when the line was so far repaired as to admit of its being resumed, the passengers changing carriages at one spot, a small bridge at Dhanoo, the restoration of which was not completed until the 17th instant, after which date the line was reopened for traffic as usual.

6. As the result of our experience and observation of the floods of this monsoon, by far the most severe the railway in the part of country alluded to in the preceding paragraph has yet had to encounter, and with the view of diminishing the risk of communication being again interrupted from a similar course in a future year to the extent that this monsoon has unfortunately been the case, some measures for the permanent improvement of the line in the swampy districts are under consideration.

7. With reference to extensions, a further survey of the contemplated railway from Baroda, or some point on this Company's existing line in Guzerat, to Neemuch, has been carried out during the past season, with a highly favourable result. It has been ascertained that the ascent of the Ghauts on to the table-land of Central India can be effected by means of inclines not excessive in length and width, no worse gradients than one in a hundred. The establishment of this important fact at once removes the only engineering difficulty hitherto supposed to attend upon the construction of a direct main line of railway communication between Bombay and the North-Western Provinces *viâ* Neemuch, in connection with the undertaking of this Company; the commercial and general advantages to India, not less than to Bombay, of such a railway, by which Delhi and the North-Western Provinces would be brought within 820 miles of Bombay, are well known to the Chamber. The whole scheme, with prospects much improved by the success of the survey operations of the past season, has been placed before Government, and it is hoped that permission will without delay be given to complete, during the forthcoming season, the working surveys of the line throughout to Delhi, and that a concession on such terms as will admit of the necessary capital being raised will subsequently be arranged.

8. A survey has also been effected during the past season of a branch railway, 73 miles long, from Ahmedabad to Veerumgaum and Wudwan, which it is proposed should be attempted without the guarantee of Government. This railway would run through one of the richest and most productive districts of India, and except the Saburmuttee bridge, which Government have been asked to allow the guaranteed B. B. and C. I. Railway Company to erect, there are no works upon it whatever involving large engineering expenditure, the country being perfectly level. The capital

estimated to be necessary is fifty-five lakhs, including interest at five per cent. for three years during construction, and a satisfactory feature of the project is that a considerable portion of this capital, about one-third, is offered by the Kattiawar chiefs through the Political Agent. The line would be worked by the guaranteed B. B. and C. I. Railway Company under an agreement of the same character as those in force in many similar cases in England.

During the present very unfavourable state of the money market, however, it has not been thought advisable to bring the scheme forward, and invite subscriptions for the remainder of the capital required.

I have the honour to be, &c.,

(Signed) C. CURREY, Agent.

INTRODUCTION OF ENGLISH RAMS, SOUTHDOWN BREED.

No. 4571 OF 1865.

REVENUE DEPARTMENT.

To the SECRETARY TO THE CHAMBER OF COMMERCE.

Bombay Castle, 6th November 1865.

SIR,—With reference to Mr. Under Secretary Jacomb's letter No. 3395 dated 5th August last, I am directed by His Excellency the Governor in Council to forward for the information of the Chamber of Commerce, an Extract* from the Proceedings of this Government on a despatch from Her Majesty's Secretary of State for India intimating that he will take measures to obtain and forward to India, for eventual transmission to Khelat, twenty rams of the Southdown breed.

* No. 4570 dated 6th November 1865.

I have the honour to be, &c.,

(Signed) H. BIRDWOOD,

Under Secretary to Government.

No. 4570.

EXTRACT from the Proceedings of the Government of Bombay in the Revenue Department dated 6th November 1865.

Read the following despatch from Sir C. Wood, Her Majesty's Principal Secretary of State for India, to His Excellency the Honourable the Governor in Council, Bombay, No. 48 dated 22nd September 1865.

I have considered in Council the despatch from your Excellency in Council numbered 40 and dated the 8th of August 1865, requesting that I will cause to be procured and sent to India, for eventual transmission to Khelat, twenty rams of the Southdown breed.

2. In reply, I have to inform your Excellency in Council that I will take measures to obtain these animals and transmit them to Bombay.

3. I entirely concur with your Resolution that the energy and interest displayed by Mr. Dalzell in this matter merit much commendation.

(True copy)

(Signed) H. BIRDWOOD,
Under Secretary to Government.

No. 4836 OF 1865.

REVENUE DEPARTMENT.

To the SECRETARY TO THE CHAMBER OF COMMERCE.

Bombay Castle, 29th November 1865.

SIR,—With reference to my letter No. 4571 dated 6th instant, and previous correspondence, I am directed to forward for the information of the Chamber of Commerce the accompanying extract (paragraph 2) from a letter from the Secretary to the Punjaub Government, No. 748 dated 13th idem, relative to the introduction of English rams into Beloochistan.

I have the honour to be, &c.,

(Signed) H. BIRDWOOD,
Under Secretary to Government.

EXTRACT (paragraph 2) of a letter from the Secretary to the Government of the Punjaub, No. 748 dated 13th November 1865.

His Honour desires me to mention that Merino flocks, of both the pure and half breeds, have during the past few years been reared in Huzara, from rams supplied and maintained there under the orders of this Government; and the efforts of Mr. Dalzell, and the correspondence which has been supplied, suggest that some of the produce may possibly be turned to good account, by distribution amongst the shepherds of the Belooch and other races on our frontier: on which point inquiries will be instituted, and, should the plan appear feasible, efforts made to carry it into effect. But the objection made by the shepherds of all our hills to shearing their sheep only once during the year is that when passing from the higher parts to the lower portions, in which they are grazed during the winter, the long fleeces get so much torn and injured by the thorny trees and projecting rocks which the sheep have to pass, that the wool becomes almost useless; and where the experiment has been tried the result has tended to show the validity of their objection.

(True extract)

(Signed) H. BIRDWOOD,
Under Secretary to Government.

No. 4965 OF 1865.

REVENUE DEPARTMENT.

To the SECRETARY TO THE CHAMBER OF COMMERCE,
Bombay.

Bombay Castle, 12th December 1865.

SIR,—With reference to Mr. Under Secretary Birdwood's letter No. 4571 dated 6th ultimo, I am directed by His Excellency the Governor in Council to forward the accompanying Extract from the Proceedings of this Government,

No. 4964 of this date, from which the Chamber of Commerce will learn the measures taken by Her Majesty's Principal Secretary of State for the despatch of twenty Southdown rams to Kurrachee.

I have the honour to be, &c.,

(Signed) H. E. JACOMB,
Under Secretary to Government.

No. 4964.

EXTRACT from the Proceedings of the Government of Bombay in the Revenue Department dated 12th December 1865.

Read the following despatch from Sir C. Wood, Her Majesty's Principal Secretary of State for India, to His Excellency the Honourable the Governor in Council, Bombay, No. 58 dated 31st October 1865.

With reference to my despatch of the 22nd September last, No. 48, I have now to advise you that I have obtained for you twenty Southdown rams, which will be despatched to Kurrachee by the ship *Edendale* on or about the 10th of November.

2. These rams have been selected from good average flocks in the county of Sussex, but two of them, Nos. 15 and 17, from the celebrated flock of Mr. Rigdon, and from their pedigree &c. are superior in value to the others, and might be located in any good place where the experiment may be fairly tried. On an average they will be landed at Kurrachee at about £16 to £17 a head.

3. Mr. Dalzell in his Report seems to aim at producing a long staple wool, but of course he is aware that the Southdown fleece is not of this character, and that the average clip does not exceed 3 lb. against 6 to 7 lb. of Shropshire Downs, and 7 to 8 lb. of Cotswolds. But probably Southdowns, from their size and hardy character, are considered best adapted to the Khelat Hills.

(True copy)

(Signed) H. E. JACOMB,
Under Secretary to Government.

ABSCONDING DEBTORS.

No. 163 of 1866.

To F. S. CHAPMAN, Esq.,
Chief Secretary to Government, Bombay.

Bombay, Chamber of Commerce, 5th July 1866.

SIR,—I am directed by the Committee of Management of the Chamber of Commerce to call the attention of Government to a matter of pressing importance, seriously affecting the interests of the mercantile community in the present state of affairs here.

The facilities now afforded to persons repudiating their obligations, and seeking to escape from them by absconding to the Portuguese territories of Damaun and Goa, have been felt as a great evil for a long time by those who have been unfortunate enough to be compelled to have recourse to the High Court to enforce their claims in civil suits.

But matters within the last few weeks have become infinitely worse, from the numerous insolvencies taking place almost daily.

It is in the knowledge of the Chamber that in the course of the last few days several persons, natives of, or carrying on business in, Bombay, have absconded to Damaun, owing very large sums, while the doings of some of them have been of a character that may make them amenable to criminal proceedings.

The object of the Committee in requesting me to address you on this subject at the present moment is to ascertain whether Government can, without loss of time, render the mercantile community assistance in the matter, by using its influence with the Portuguese Governments at Goa and Damaun to cause persons who have taken refuge in Portuguese territories under circumstances so disreputable, to

be given up to officers of the Government of Bombay or of the Bombay High Court, when demanded under a proper warrant for their apprehension.

What I have stated regarding Portuguese territory applies with equal force to Native States, as railways now afford every facility to persons seeking to abscond from British territory.

I have the honour to be, &c.,

(Signed) JAMES TAYLOR,
Secretary.

No. 2412 OF 1866.

POLITICAL DEPARTMENT.

From C. GONNE, Esq.,
Secretary to Government, Bombay,

To the SECRETARY TO THE CHAMBER OF COMMERCE,
Bombay.

Bombay Castle, 20th August 1866.

SIR,—I am directed to acknowledge the receipt of your letter dated the 5th ultimo, in which, by desire of the Chamber of Commerce, you request to be informed whether Government can assist the mercantile community of Bombay by using their influence with the Portuguese Government of Goa to cause the surrender of persons repudiating their obligations and seeking refuge in the Damaun and Goa territory.

2. In reply His Excellency the Governor in Council desires me to state that the Chamber of Commerce are no doubt aware that there is no treaty under which Government would be justified in proposing to the Portuguese authorities that they should surrender to the officers of the High Court any person who has withdrawn himself into Portuguese territory merely on the ground that the refugee has escaped from his creditors. If, however, any practical suggestions on this subject have occurred to the Chamber, Government will readily give every attention to them.

3. When there is reason to believe that an absconding debtor has committed a criminal offence in Bombay, the Government, on receiving an application on the subject in the usual way, will always be ready to consider whether they can with advantage make any communication to the Portuguese authorities. In some cases such communications have been made with good effects. But there is no treaty between the British and Portuguese Governments for the mutual extradition even of heinous criminals; and it is necessary, therefore, that regard should be had to the special circumstances in each case. It is not easy to lay down beforehand any principle or rule of action which would be generally applicable.

4. The same remark applies to requisitions of the same kind with respect to some Native States.

5. I am to add that the Governor in Council is very desirous to assist the Chamber and the mercantile community as far as possible, but it is not, His Excellency in Council regrets to say, in his power at once to render extraordinary aid.

I have the honour to be, &c.,

(Signed) C. GONNE,
Secretary to Government.

List of Pamphlets and Papers received by the Chamber of Commerce during the year 1865-66.

No.	Title.	Received from
1	Proceedings of the Council of the Governor of Bombay (in separate volume).	Bombay Government.
2	Report of Proceedings of the Conference held at Poona for 1865, (in separate volume).	Ditto.
3	New Zealand Statistics Report for 1865 (in separate volume).	New Zealand Government.
4	Bombay Customs, Annual Report of (in separate volume).	Commissioner of Customs.
5	Sind, External and Internal Trade Report for 1865-66 (in separate volume).	Bombay Government.
6	Yokohama, Japan, the Tariff Convention signed on the 25th of June 1866 (in separate volume).	Yokohama Chamber.
7	Finance and Revenue Accounts of the Government of India for the year 1864-65, and Estimate of Revenue Expenditure and Cash Balance for 1865-66 (in separate volume).	Government of India.
8	Report of Proceedings in the Public Works Department during the years 1862-63 and 1863-64 (in separate volume).	Bombay Government.
9	British Indian Association, Annual Report of.	British Indian Association, Calcutta.
10	British Indian Association Address to Lord Halifax.	
11	British Indian Association, Half-yearly Report of.	
12	Administration of the Madras Presidency for the year 1864-65.	Madras Government.
13	Administration of the Bengal Presidency for the year 1864-65.	Calcutta Government.
14	Administration of the N. W. Provinces for the year 1864-65.	Ditto.
15	Report on Water Supply of Poona and Kirkee.	Bombay Government.
16	Report on the Agri-Horticultural Society of Western India for the year 1865.	Ditto.
17	Irrigation in the Southern Maratha Country.	Ditto.

List of Pamphlets—continued.

No.	Title.	Received from
18	Irrigation in the Deccan and Southern Maratha Country.	Bombay Government.
19	Irrigation Projects for the Bombay Presidency.	Do.
20	Suggestions for a Decimal System	Mr. J. Bridgewell, author.
21	Proceedings of the Agri-Horticultural Society of the Punjab for 1865.	Calcutta Government.
22	Journal of the Agricultural and Horticultural Society of India (in 2 volumes).	Agricultural Horticultural Society, Calcutta.
23	Administration Report of the Bengal Presidency for 1863-64.	Bombay Government.
24	Do. do. of Mysore for 1863.	Do.
25	Do. do. of the Province of Oude for 1863-64 and 1864-65.	Do.
26	Do. do. of the Straits Settlements for 1863-64 and 1864-65.	Do.
27	Do. do. Hyderabad Assigned Districts for 1863-64 and 1864-65.	Do.
28	Do. do. of the Province of Coorg for the year 1863-64.	Do.
29	Do. do. of the Province of British Burmah for 1864-65.	Do.
30	Do. do. of the Central Provinces for the 1863-64.	Do.
31	Do. do. of the Punjab Territories for 1863-64.	Do.
32	Annual Report of the Dockyard and Subordinate Estate for 1863-64.	Do.
33	Annual Report of the Geological Survey of India for 1863-64.	Do.
34	Annual Report of the Operations of the Post Office of India 1863-64.	Do.
35	Annual Report of the Geological Survey of India for the year 1864-65.	Do.
36	Narrative of the Course of Legislation for the years 1863-64 and 1864-65.	Do.
37	Transactions of the Bombay Geographical Society, 1863-64.	B. Geographical Society.
38	Telegraph in India, Story of the (in separate volume).	Mr. C. C. Adley, C.E.
39	The Indian Empire and Our Financial Relations therewith, Paper on.	Mr. Robert Knight.

List of Pamphlets—continued.

No.	Title.	Received from
40	Suspension of the Bank Charter Act of 1864 (London).	Mr. Henry Roy.
41	Report on the Lighthouses &c. of Bombay Harbour.	Harbour and Pilotage Board.
42	Reorganisation of the Pilot Service of the Port of Bombay.	Ditto.
43	Papers relating to the Establishment of Cotton Presses at the principal stations on the G. I. P. Railway.	Captain Osborn, Royal Navy, Agent.
44	Agricultural Show and Exhibition of Arts and Manufactures at Calicut.	G. A. Ballard, Esq.
45	Manufacturers of the Merchants in the workers amongst and the consumers of Cotton Goods.	Mr. Samuel Ramsbottom.
46	Weighting or Adulteration of Cotton Cloth, &c.	Ditto.
47	Tenant-right in Oudh.	Author.
48	Report on Mildew in Cotton Goods by the Manchester Chamber of Commerce.	Manchester Chamber.
49	Report on Bombay Tides.	Government.
50	Reports on the Tides of the Port of Kurrachee.	Mr. W. Parkes.
51	Reports on the Tide Tables for Kurrachee.	Government.
52	Bordeaux Chamber of Commerce, Annual Report of.	Bordeaux Chamber.
53	Bengal Chamber of Commerce, Annual Report of.	Bengal do.
54	Madras Chamber of Commerce, Annual Report of.	Madras do.
55	Kurrachee Chamber of Commerce, Annual Report of.	Kurrachee do.
56	Melbourne Chamber of Commerce, Annual Report of.	Melbourne do.
57	Colombo Chamber of Commerce, Annual Report of.	Colombo do.
58	Cotton Supply Association, Annual Report of.	Cotton Supply Assocn.
59	Glasgow Chamber of Commerce, Annual Report of.	Glasgow Chamber.
60	Manchester Chamber of Commerce, Annual Report of.	Manchester do.
61	Liverpool Chamber of Commerce, Annual Report of.	Liverpool do.

FUNDS OF THE CHAMBER, 1865-66.

DISBURSEMENTS.	Rs.	a.	p.	RECEIPTS.	Rs.	a.	p.
Rent	2,675	0	0	Balance from last year	2,074	10	4
Printing	1,437	10	0	Since paid in	1,508	0	0
Advertisements	421	11	6	Subscriptions	15,000	0	0
Newspapers and Books	175	0	0	Sale of Manifests and Trade Returns	3,839	0	0
Furniture	28	0	0	Do. Tonnage Scales, &c.	4	0	0
Electric Telegraph Messages &c.	545	11	9	Interest allowed by the Treasurers	132	6	4
Postage Stamps	172	9	4				
Office Salaries and Petty Charges	7,258	14	0				
Manifests and Trade Returns—							
Salaries Rs. 2,576 0 0							
Printing „ 2,522 4 0							
	5,098	4	0				
Commission charged by Treasurers	203	8	2				
Balance	4,541	11	11				
Total .... Rupees.	22,558	0	8	Total .... Rupees.	22,558	0	8

Balance in hands of Treasurers 1st September 1866 .. 4,541 11 11

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